

**Equals Group PLC**  
(‘Equals’ or the ‘Group’)

**Final Results**

*‘Significant growth and operational progress, along with strong cash generation’*

Equals (AIM:EQLS), a leading fintech payments group focused on the SME marketplace, announces its final results for the year-ended 31 December 2021 (the ‘year’ or ‘FY-2021’) and an update on trading for the period from 1 January 2022 to 28 March 2022.

**FY-2021: Financial Summary**

	FY-2021 £ millions	FY-2020 £ millions	Change*
<b>Underlying transaction values</b>			
- FX	4,352	2,672	+ 63%
- Banking	1,331	821	+ 62%
- Solutions Platform	846	-	
- Total	<u>6,529</u>	<u>3,493</u>	+ 87%
<b>Revenue</b>	<b>44.1</b>	29.0	+ 52%
% of revenue from B2B	<b>81%</b>	70%	
Gross profits	<b>24.0</b>	18.3	+ 31%
<b>Adjusted EBITDA</b>	<b>6.7</b>	1.1	
EBITDA	<b>5.7</b>	(2.0)	
Loss after taxation	<b>(2.3)</b>	(6.9)	
<b>Memo:</b>			
Capitalised staff costs	<b>3.0</b>	4.0	- 25%
Separately reported items (below Adjusted EBITDA)	<b>0.7</b>	2.6	- 73%
R&D credits received	<b>1.4</b>	2.5	
Impairment of travel cash business	<b>1.6</b>	-	
Cash per share (at balance sheet date)	<b>7.3p</b>	5.6p	+ 30%

*\*based on underlying, not rounded, figures.*

**FY-2021 Financial Highlights**

- Total Revenue increased by 52% to £44.1 million (FY-2020: £29.0 million), supported by:
  - Like for like transactional values increasing by 63% to £5.7 billion (FY-2020: £3.5 billion)
  - Immediate success in the Solutions Platform which contributed £0.8 billion in transaction values and £3.6 million in revenues
- Gross profits increased 31% to £24.0 million (FY-2020: £18.3 million)
- Cash-based expenditure fell a further 7% (£1.6 million) to £21.2 million (FY-2020: £22.8 million)
- Adjusted EBITDA\*\* increased to £6.7 million (FY-2020: £1.1 million)
- Year-end cash increased 31% to £13.1 million (FY-2020: £10.0 million)

## FY-2021 operational and product highlights

- Focus on B2B and non travel-related revenue streams successfully continued
  - Business customer revenue increased to represent 81% of total revenues (FY-2020: 70%)
  - Non-travel revenue represented 94% of the total, up from 91% in FY-2020
- Group continuing to attract larger corporates: won a significant mandate to transact a single but complex trade yielding £1.5 million of revenue and £0.8 million of gross profits
- ‘Own-name’ multi-currency IBAN launched mid-year
- Improved sales and data focus through both staff hires and CRM; a significant contributor to increased revenues
- R&D continued throughout the year, with further technical developments including ‘Confirmation of Payee’ and Linked cards
- Operational improvements through greater reconciliation automation and client onboarding

## Q1-2022 Group highlights

- Revenue from 1 January 2022 to 28 March 2022 up 78%, and averaged £222k per day (same period 2021 £125k)
- Total revenue from 1 January 2022 to 28 March 2022 of £13.6 million
- Strong performance across all sectors

## Commenting on the Results, Ian Strafford-Taylor, CEO of Equals Group PLC, said:

“We ended 2021 in a very strong position, both financially and operationally. The surge in our reported revenue and EBITDA speaks to a successful repositioning of our model to focus on B2B and away from legacy travel operations. This process began in 2020, put us on the front-foot for 2021, and we are now progressing into 2022 with sustained confidence. Our product set is being adopted by existing and new customers at a faster rate than we anticipated and that has allowed us to more quickly develop and roll out new functionality to a broader range of customers. We are making excellent progress in the early stages of 2022 with rapid growth continuing while we navigate the geo-political backdrop. We remain highly confident for our prospects both in 2022 and beyond.”

## Analyst meeting

A conference call for analysts hosted by Ian Strafford-Taylor (CEO) and Richard Cooper (CFO) will be held at 09.30 today, 30 March 2022. A copy of the presentation will be available after midday on the Equals website. A copy of the Final Results presentation is also available at the Group’s website: <https://equalsplc.com>.

For retail investors, an audiocast of the conference call with analysts will be available after midday today: <https://webcasting.buchanan.uk.com/broadcast/62319d7461bd9a4d10292906>

## Notes

*\*Transactions with business customers are reported as ‘B2B’ and transactions with retail customers are reported as ‘B2C’.*

*\*\*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 large, non-recurring items.*

*\*\*\* The financial statements were approved for release at 07:00 hours on 30 March 2022 to the London Stock Exchange via RNS after being approved by the Board on 29 March 2022 after the close of the stock market on that day.*

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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 was listed on AIM in 2014 and currently employs around 250 staff across sites in London and Chester. For more information, please visit [www.equalsplc.com](http://www.equalsplc.com).

**Chief Executive Officer's Report****2021**

Management's objective for 2021 were to significantly increase both the quantum and mix of revenues from B2B customers and products. We achieved both by building on the payments infrastructure and connectivity already assembled, and further enhanced this by providing customers with 'own-name multi-currency IBAN' accounts. Concurrently, the Group expanded and refined its sales processes and go-to-market strategy.

**Summary of financial performance**

I am delighted to report that:

- Like for like transactions executed on the Group's platforms rose 63% to £5.7 billion (FY-2020: £3.5 billion)
- Transactions from our new Solutions Platform were £0.8 billion from a standing start (FY-2020: Nil)
- Revenue rose 52% to £44.1 million, with £15.3 million in Q4-2021 alone
- Adjusted EBITDA rose from £1.1 million to £6.7 million
- Year-end cash closed at £13.1 million (FY-2020: £10.0 million)

A full financial analysis is presented in the Chief Financial Officer's Report which follows this statement.

**COVID-19**

2021 saw the world continue to struggle through COVID-19 variants and lockdowns. Despite this, the Group achieved rapid growth, benefiting from measures taken in 2020 to focus the Group on a B2B customer base and thereby reducing any reliance on the legacy B2C travel-related products. In addition, the lessons learned in 2020 in terms of hybrid working meant that the Group could operate efficiently throughout the year during the various phases of the pandemic.

**Marketplace and competitive landscape**

The global payments market is a complex space and can be measured in many trillions of pounds, comprising all the various payment mechanisms from cash, cards, account-to-account transfers, and other methodologies across physical, internet and mobile interfaces. Against this background, the Group remains somewhat unique in that it spans both account-to-account transfers and cards, overlaid on infrastructure providing bank-grade connectivity and security on superior customer interfaces. The flexibility in the payment methodology that the Group can support from one unified platform is increasingly vital to business customers, for example many e-commerce businesses only accept card payments whereas other companies may typically only accept bank transfers.

Within the vast payments market, the Group remains strongly focused on the B2B customer segment. Within that, it has identified small and medium-sized enterprises (SMEs) as the optimal target audience for its products and services. The Group aims to deliver this via its 'Equals Money' proposition – a single platform comprising account-to-account transfers and card products for both UK and international transactions. The Group's 'target' customer is an SME between 50-500 employees with UK and overseas payment needs. Engineering, product, and design resources are focused on providing solutions to this customer segment; however, the Group's products equally serve both smaller and larger B2B customers.

Despite the continuing growth of fintech within the wider market, it remains the case that most payments activity continues to flow through the incumbent banks and payment networks. Therefore, winning business from these institutions remains a key focus for the Group in terms of both product development and sales and marketing activities. However, investment into the fintech competitors of Equals also makes it essential that the Group continues to innovate and invest into its platform and connectivity to remain ahead of the competition in its chosen B2B payments space. The success of this strategy to date is clear in the Group's FY-2021 results.

## **Performance in 2021**

A key milestone to achieving accelerated growth for the Group was passed in May 2021 when Equals launched its capability to offer 'own-name multi-currency IBAN' accounts to its customers. This enables the business customers of Equals to pay and receive into a single account in their own name, and that account can process all currencies automatically. Further, the Group can offer its customers the flexibility to open multiple own-name IBAN accounts or multiple sub-accounts within a single IBAN. This flexibility places Equals in a position where it can solve many payment and reconciliation problems for business customers, all delivered through one unified platform.

### ***Equals Solutions***

The own-name multi-currency IBAN capability, and the flexibility it offers, underpinned the creation of a new revenue stream: Equals Solutions. Launched in June 2021, it contributed £0.3 million to revenues in the first half-year and £3.6 million for the full year, with a significant £1.7 million contribution of which was the fourth quarter showcasing its rapid growth and take-up by business customers.

Equals Solutions is targeted at larger corporates and provides a bespoke platform for each client. The flexibility in terms of being able to onboard a complex B2B customer rapidly and provide multiple own-name IBAN accounts and sub-accounts combined with the ability to implement complex authorisation hierarchies and protocols for the customer is a capability that few companies can offer. Incumbent banks are unable to compete given their operations remain on slow and often outdated infrastructure, while a typical fintech competitor concentrates on B2C not B2B customers and even may only have some – and not all – of the capabilities needed. Equals are therefore set apart given it provides a complete suite of services and products with the latest tech proposition.

### ***Equals Money***

Equals Money combines account-to-account payments, card payments and current accounts in one unified platform and is targeted at SME customers.

Along with Equals Solutions, the ability to offer own-name IBAN accounts to customers has significantly enhanced the capabilities of the Equals Money platform. In addition, during 2021 the Group implemented additional developments to the Equals Money platform including a new customer interface via website and app, batch payments and multi-tier configurable approval functionality.

### ***Equals Pay and Equals Exchange***

Equals Pay is the Group's customer-facing international payments product. Numerous enhancements have been made to this product, including the ability to make batch payments and improved forward contract functionality.

Equals Exchange is the Group's internal dealing platform which runs on the same infrastructure as Equals Pay. This was launched during the year and is proving a very capable platform and is well regarded by Equals' dealers.

### ***Other achievements and product launches***

- Improved onboarding journey for all customers allied to automated compliance checks to minimise new-customer friction
- Appointment of new Head of Sales and simplification of commission structure
- Implementation of Growth Team comprising marketing and business development
- Continued development of CRM (HubSpot) platform yielding improved sales traction
- Creation of Data Team and investment into data capabilities and insights
- Further upgrades to the Group's compliance capabilities and personnel
- Joining the 'Confirmation of Payee' scheme for UK Payments
- Implementation of automated reconciliations utilising Kani-payments platform, resulting in additional operational efficiency
- Launch of 'Linked Cards' for FairFX B2C cards platform
- Banking platform re-branded

## Strong financial performance – growth and resilience throughout the year

2021 was a year of significant growth for the Group in terms of transaction volumes, revenues and expanded product suite delivering enhanced operational capacity. Growth was broad-based across the B2B products, aided by the advent of the Equals Solutions revenue stream in June. The growth in revenues has flowed through to EBITDA as the Group became increasingly operationally geared and also cash generative.

The transaction table below shows how the volumes through the Group’s platform have almost doubled since 2019 despite the impacts of the COVID-19 pandemic. Overall transaction volumes have increased by 97% over pre-pandemic 2019 levels and 63% over 2020 activity. Within these totals, currency transactions have increased by 105% since 2019 and 63% since 2020, whilst banking transactions have increased by 73% and 62% respectively.

**Table A: Transaction amounts since January 2019**

<u>In £ millions</u>	<u>Banking</u>	<u>Currency sold</u>	<u>Like for like total</u>	<u>Solutions Platform</u>	<u>Group total</u>
Q1-2019	171	451	622	-	622
Q2-2019	189	448	637	-	637
Q3-2019	202	575	777	-	777
Q4-2019	209	643	852	-	852
<b>Total, FY-2019</b>	<b>771</b>	<b>2,117</b>	<b>2,888</b>	-	<b>2,888</b>
Q1-2020	194	664	858	-	858
Q2-2020	169	533	702	-	702
Q3-2020	221	660	881	-	881
Q4-2020	237	815	1,052	-	1,052
<b>Total, FY-2020</b>	<b>821</b>	<b>2,672</b>	<b>3,493</b>	-	<b>3,493</b>
<i>Increase on prior year</i>			+21%		+21%
Q1-2021	230	829	1,059	-	1,059
Q2-2021	340	909	1,249	143	1,392
Q3-2021	374	1,199	1,573	313	1,886
Q4-2021	387	1,415	1,802	391	2,193
<b>Total, FY-2021</b>	<b>1,331</b>	<b>4,352</b>	<b>5,683</b>	<b>846</b>	<b>6,529</b>
<i>Increase on prior year</i>			+63%		+87%

The ability to process a doubling of activity in two years demonstrates the resilience of the platform the Group has built, the value of the investment in infrastructure which was commenced in 2018, along with the acquisition of Casco in 2019. Furthermore, the acceleration in transactions in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of FY-2021 shows the effect of the own-name IBAN roll-out combined with Equals Solutions driving increased activity.

The revenue table below tells a similar story with strong revenue growth compared to both 2019 pre-pandemic levels and the 2020 performance. Overall revenues grew 43% over 2019 levels and 52% over the Covid-impacted 2020 result. Within the revenue performance, the shift towards B2B is clear to see. FY-2021 revenues were split 81% B2B and 19% B2C compared to a 55/45 split in FY-2019 and a 70/30 split in FY-2020.

**Table B: Revenues since January 2019**

<u>In £'000s</u>	<u>B2B</u>	<u>B2C</u>	<u>Total</u>	<u>Revenue margin</u>	<u>Revenue per day*</u>
Q1-2019	3,831	3,087	<b>6,918</b>	1.1%	110
Q2-2019	4,069	3,636	<b>7,705</b>	1.2%	124
Q3-2019	4,164	3,847	<b>8,011</b>	1.0%	123
Q4-2019	5,231	3,080	<b>8,311</b>	1.0%	128
<b>Total, FY-2019</b>	<b>17,295</b>	<b>13,650</b>	<b>30,945</b>	<b>1.1%</b>	<b>121</b>
<i>Mix</i>	<i>56%</i>	<i>44%</i>			
Q1-2020	5,354	2,672	<b>8,026</b>	0.9%	125
Q2-2020	3,928	1,819	<b>5,747</b>	0.8%	99
Q3-2020	5,273	2,033	<b>7,306</b>	0.8%	112
Q4-2020	5,797	2,084	<b>7,881</b>	0.7%	122
<b>Total, FY-2020</b>	<b>20,352</b>	<b>8,608</b>	<b>28,960</b>	<b>0.8%</b>	<b>114</b>
<i>Change on prior year</i>	<i>+18%</i>	<i>-37%</i>	<i>-6%</i>		
<i>Mix</i>	<i>70%</i>	<i>30%</i>			
Q1-2021	5,626	2,438	<b>8,064</b>	0.8%	128
Q2-2021	7,179	1,662	<b>8,841</b>	0.7%	145
Q3-2021	9,925	1,980	<b>11,905</b>	0.8%	183
Q4-2021	12,873	2,408	<b>15,281</b>	0.8%	239
<b>Total, FY-2021</b>	<b>35,603</b>	<b>8,488</b>	<b>44,091</b>	<b>0.8%</b>	<b>174</b>
<i>Change on prior year</i>	<i>+75%</i>	<i>-1%</i>	<i>+52%</i>		
<i>Mix</i>	<i>81%</i>	<i>19%</i>			

\* based on underlying, not rounded, figures and expressed as revenue divided by the number of working days in each quarter.

In terms of growth and productivity, revenue per employee rose by 80% to £172k per employee (FY 2020: £96k), a testament both to productivity, incentives and strong headcount control.

## **Product outlook**

### ***Unified platform – Equals Money & Equals Solutions***

Great strides were made during 2021 in the development of 'Equals Money', which incorporates the payments, cards and current account solutions that the Group can offer in one unified platform and ties directly into the strategic vision for the Group to simplify money movement for business customers.

The investment made in prior years to assemble infrastructure providing bank-grade security and connectivity, including the integration into the Faster Payments network and the implementation of the Citibank partnership to provide 'local' settlement in over 40 countries, form the underlying platform for clearing payments efficiently. The scalability of this platform has been evidenced by the doubling of transaction volumes processed in the last two years.

To optimise revenues from this assembled infrastructure, it is essential to make it simple both to become a customer and then for that customer to use the platform. For the customer acquisition journey, investment has been made into further refining the onboarding process, utilising automated compliance checks overlaid with additional compliance personnel to fast-track non-standard cases. For the ease-of-use of the platform, the Group has applied extensive resources into refining the User Experience (UX) utilising both extensive research into customer needs and the in-house product and design expertise at Equals.

In 2022 the Group will continue to invest in platform capabilities, onboarding efficiency and UX to constantly improve both the platform functionality and usability. This is expected to translate into increased revenues from existing customers whilst improving sales success and conversion of leads into new customers. Further, the Group will integrate the platforms with major accountancy software providers thereby providing another sales channel and expanding the pool of customers who can access Equals' products and services.

### ***Payment infrastructure, 'Boxes'***

2021 saw major advances in the Group's capabilities to deliver enhanced account services to its customers. The most significant advance was the ability to give a customer an 'own name multi-currency IBAN' – an account in their own name denoted by a unique IBAN ('International Bank Account Number') which supports multiple currencies. As the account is in the name of the customer, a so-called 'first party' account, this allows more use-cases than payments into a 'pooled account' from a compliance perspective. Further, having one IBAN for all currencies enables a customer to provide one single account identifier to all of its customers and suppliers, thereby simplifying both sales and procurement processes.

To offer own-name multi-currency accounts, many third-party integrations were needed, including partner banks and SWIFT. However, the key framework to support the flexible platform we require is referred to as 'Boxes'. A Box is our internal title for a single currency container in which you can store an asset. Hence, each own-name multi-currency IBAN has one Box per currency. Further flexibility is gained by the fact that a Box can support sub-Boxes so a customer can pay directly into their IBAN or directly to a sub-Box. This sub-Box capability allows us to offer customers an own-name IBAN with unlimited sub-accounts if they require it.

The Boxes infrastructure also provides the capability for an Equals Customer to create own-name IBAN accounts for its own customers – subject to Equals compliance checks. This capability can resolve complex reconciliation issues for companies that have multiple parties paying into one bank account per currency. Each party can have a unique IBAN to pay into, in any currency, and therefore the Equals customer knows at point of receipt of funds who has remitted them.

Supporting this configuration is the Boxes service which automatically creates a Box on receipt of funds and auto-processes funds into and out of a Box via SWIFT, BACS, Faster Payments and SEPA.

Further development of the Boxes infrastructure is planned for 2022, enabling us to deliver key additional functionality for both Equals Money and Equals Platforms including real-time running balances, statements and enhanced reporting for customers, bulk payments and the recently announced direct integration into the SEPA (Single European Payments Area) network. In addition, the Group will build out its capability to offer its IBAN and Boxes functionality via API – thereby allowing more sophisticated customers to directly integrate with the Equals platform and support white-label opportunities.

### ***Card Products***

Similar to the account-to-account payment infrastructure that Equals has assembled, 2021 saw significant progress in the development of the Group's card platform that underpins a strong pipeline of customer-facing features to be deployed in 2022. The new infrastructure can power the Group's card products for the medium term and allow Equals to run card schemes in overseas locations. 2022 will see the launch of the new *Equals Money* card, replacing the *Equals Spend* cards which run on legacy infrastructure. The new cards, which are multi-currency, can be both virtual and physical and have many more features and capabilities. Equals are also moving towards being its own Issuer for its card products, thereby eliminating another party from the supply chain and speeding up development cycles.

### ***Sales and Marketing – a high growth agenda***

The Group further enhanced its capabilities in Sales and Marketing in 2021. The roll-out of HubSpot, the new CRM system for Equals, continued during the year, focusing on the B2B customer segment. Many activities previously performed in isolation are now processed automatically via the HubSpot platform so that the Group has a single database on customers and a central hub from which all customer interaction is performed and recorded. The focus for 2022 will be to harness this capability to drive new customer acquisition and to further drive enhanced revenues from the existing client base.

Equals created a 'Growth Team' during the year which combined marketing with the overall growth agenda. This team is responsible for HubSpot in terms of ensuring optimisation of how it is used across the Group and that the benefits derived from it are maximised. The focus of the team is to enable growth by a combination of delivering increased revenue from existing customers whilst driving new customer acquisition. The key for the success of the team is the interaction with the revenue teams to support them in reaching their targets.

In keeping with the overall strategy of the Group, the focus for growth is on the B2B customer base. Unlike B2C customer acquisition, where above-the-line ('ATL') marketing such as TV and billboard advertisements augmented by digital marketing is the driving force, B2B customer acquisition relies more on the outbound sales function augmented by and integrated with a coherent digital marketing strategy and content production. Accordingly, the Growth Team works very closely with the Sales functions across the Group in defining campaigns and assisting the sales efficacy with targeted digital marketing and an in-house pay-per-click ('PPC') team.

The challenge for Equals in 2022 in sales and growth is managing the transition from being a product-led business to a platform-led business. Previously, the Group has sold its products – International Payments, Card Products and Current Account products – using largely separate sales teams and marketing strategies. As Equals moves forward, it will be selling Equals Money to the SME customer base and Equals Solutions to the larger B2B customers. The transition from product to platform differentiates Equals from vanilla FX businesses, as the Group can compete not just on FX rates, but on platform capability and service. The Sales skills required are also different and therefore the Group appointed a new Head of Sales during the year, revised the commission structure and upgraded its sales teams.

The steps taken in 2021 position Equals well for the transition from product to the platform as it now has a stronger sales team, a single-source-of-truth CRM platform and the Growth Team is established internally as the fulcrum around which will drive the Group's unified Sales approach.

### **Board composition**

On 9 April 2021, we welcomed Christopher Bones as a Non-Executive Director of the Company with his background in both Human Resources and Marketing. He has been invaluable in the formulation of a compensation strategy for the Group as well as assisting in the development of a go-to-market strategy.

### **Employees**

The Group has been focusing on enhancing 'bench-strength' to support the executive layer that sits just below the Board. Pursuant to this, the Group took on a Head of Compliance to compliment the already strong operational team, and the CFO, Richard Cooper, recruited a new Director of Finance to enable him to work even more closely with myself on corporate opportunities and investor relations.

The Group's employees continue to be its greatest strength. The loyalty, commitment, and hard work demonstrated in 2020 and now in 2021 has been tremendous and deserves to be acknowledged. I would like to take this opportunity to personally thank every colleague for everything they have done for the Group. We are delighted to have a diverse workforce and are proud to train and promote from within as well as seek fresh talent from elsewhere.

Three senior members of the executive team left the Group during 2021 and I thank them for their time whilst at Equals.

Whilst the Group continues to seek efficiencies and has a strong cost-control culture, the Board intends to invest these gains in further capacity for growth rather than reductions in staff numbers. This in turn will benefit investors as Equals will have strong operational gearing as it grows, with its cost base increasing at a lower rate than transactions and revenues.

The labour market in the UK, particularly in the fintech space, is extremely competitive. Accordingly, in 2021 the Group introduced a company-wide share-ownership scheme ('SIP') where all eligible employees received the same number of shares in Equals. The Group will seek to make similar awards on an annual basis. In addition, Equals introduced a long-term incentive plan ('LTIP') scheme for senior employees and a similar plan with performance conditions for Executive Directors. Both the SIP and the LTIP schemes have lengthy vesting periods and thereby provide strong retention benefits for the Group.

## 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 appraisal.

### Future plans and opportunities

The strategic direction of the Group remains clearly focused on the B2B customer segment with Equals Money being targeted at the SME base and Equals Solutions at larger corporate opportunities. The growth potential, now that Equals has assembled the core capabilities of own-name IBAN and bank-grade connectivity and clearance, is extremely strong due to the complexity and time required to replicate the Group's capabilities and will only be enhanced by the developments planned for 2022.

Equals will continue to look for growth opportunities and can do so with a strong balance sheet and cash position. The Group will examine overseas expansion beyond its current predominantly UK-centric customer base and will also take a considerate and opportunistic approach to acquisitions as they present themselves.

### Recent geo-political events

The current uncertainty caused by the conflict from Russia to Ukraine does not have a material impact on Equals as the Group's direct exposure to the region is extremely limited. In addition, clearly, to the extent the situation affects global confidence and trade volumes, this could impact general commercial activity levels during 2022. We have not seen any direct impact to date but continue to monitor the situation closely.

### Q1-2022 trading and Outlook

2022 has started exceptionally well with revenues to 28 March, 78% higher than the same period in 2021 at £13.6 million. Strong revenue growth continues to come from B2B with all product lines progressing well. Equals Solutions, which contributed £3.6 million of revenues in FY-2021, has already contributed £2.6 million in FY-2022 to-date and is expected to continue to grow strongly as the Group adds new functionality to its payments platform during the year.

Equals, therefore, has a strong outlook resulting from the investments it has made to create a payments platform comprising International and Domestic Payments, Card Payments and Banking Services underpinned by exceptional technology and direct connections to multiple payment networks. Further investments made in compliance, onboarding and user experience mean that the rich functionality of the platform is made easily accessible to current and potential customers. Finally, advances made in Sales, Marketing and Data mean that Equals now sells its products and platform more efficiently. Accordingly, the Board looks forward to the future with confidence.

**Ian Strafford-Taylor**  
**Chief Executive Officer**  
29 March 2022

## Chief Financial Officer's Report

I present my review and financial analysis for the year ended 31 December 2021.

**TABLE 1: INCOME AND EXPENSE ACCOUNT**

	FY-2021 £ millions	FY-2020 £ millions
Revenue (table 3)	<u>44.1</u>	<u>29.0</u>
Gross Profits (table 3)	24.0	18.3
Less: Marketing	<u>(1.2)</u>	<u>(1.2)</u>
<b>Contribution</b>	<b>22.8</b>	<b>17.1</b>
Expenditure (table 9)	<u>(16.1)</u>	<u>(16.0)</u>
<b>Adjusted EBITDA</b>	<b>6.7</b>	<b>1.1</b>
Less: Share option expense	<u>(0.3)</u>	<u>(0.4)</u>
Less: Exceptional items and acquisition costs	<u>(0.7)</u>	<u>(2.7)</u>
<b>EBITDA</b>	<b>5.7</b>	<b>(2.0)</b>
IFRS 16 Depreciation	(0.9)	(0.9)
Other depreciation	(0.4)	(0.5)
Amortisation of acquired intangibles	(1.3)	(1.2)
Other amortisation	(4.5)	(3.2)
Contingent consideration cost	(0.1)	(0.6)
Impairment of the Bureau operations	<u>(1.6)</u>	<u>-</u>
	<u>(8.8)</u>	<u>(6.4)</u>
<b>EBIT</b>	<b>(3.1)</b>	<b>(8.4)</b>
Lease interest	(0.2)	(0.2)
Foreign exchange differences	(0.1)	(0.2)
Contingent consideration finance charges	<u>(0.3)</u>	<u>(0.2)</u>
	<u>(0.6)</u>	<u>(0.6)</u>
<b>LOSS BEFORE TAXATION</b>	<b>(3.8)</b>	<b>(9.0)</b>
Corporate and deferred taxation	1.1	0.7
R&D tax credits receivable	<u>0.4</u>	<u>1.4</u>
	<u>1.5</u>	<u>2.1</u>
<b>LOSS FOR THE YEAR</b>	<b>(2.3)</b>	<b>(6.9)</b>

**TABLE 2: EARNINGS PER SHARE**

		<u>Normal</u>	<u>Adjusted</u>
Basic	<b>2021</b>	<b>(1.35)p</b>	<b>(0.73)p</b>
	2020	(3.87)p	(2.33)p
Diluted	<b>2021</b>	<b>(1.35)p</b>	<b>(0.73)p</b>
	2020	(3.87)p	(2.33)p

**TABLE 3: REVENUE AND GROSS PROFITS**

**A. Revenue summary by business line**

<u>£ millions</u>	<u>FY-2021</u>		<u>FY-2020</u>	
	<u>Revenues</u>	<u>Gross profits</u>	<u>Revenues</u>	<u>Gross profits</u>
International Payments (Table 4)	29.5	14.0	17.4	11.1
Spend Platform	6.3	4.3	3.7	2.0
Personal cards	2.4	1.6	2.1	1.1
Banking	5.6	4.0	5.1	3.8
Bureau operations and other	0.3	0.1	0.7	0.3
	<b>44.1</b>	<b>24.0</b>	29.0	18.3

**B. Revenue and gross profits by customer grouping and markets**

<u>£ millions</u>	<u>B2B v B2C</u>			<u>Non-travel v Travel</u>		
	B2B	B2C	Total	Non-travel	Travel	Total
<b>REVENUES</b>						
- 2021	35.6	8.5	44.1	41.4	2.7	44.1
- 2020	20.4	8.6	29.0	26.3	2.7	29.0
% change*	+75%	-1%	+52%	+58%	-	+52%
<b>GROSS PROFITS</b>						
- 2021	16.6	7.4	24.0	22.1	1.9	24.0
- 2020	12.8	5.5	18.3	16.8	1.5	18.3
- 2021 %	47%	87%	54%	53%	70%	54%
- 2020 %	63%	64%	63%	64%	56%	63%

\*based on underlying, not rounded, figures.

The Group has many individual revenue lines (and associated variable costs), but broadly these can be summarised as follows:

**International payments:** This includes direct, affiliate and white-label foreign exchange for business customers and to a lesser extent, affluent private customers.

It also includes the bulk of the ‘solutions’ product, launched during the year, which leads with an own-name IBAN, facilitating both same-to-same transactions and currency A to currency B transactions, as well as bulk payments using our ‘Faster Payments’ membership gateway.

The white-label business trading under the Equals Connect brand, allows smaller providers to ‘piggy-back’ off our excellent compliance processes and speed of delivery.

The white-label business acquired in 2019 had a stellar year growing its revenues from £2.4 million to £7.7 million, although at a tighter gross profit margin of 14% due to both competitive pressures and one particularly large affiliate.

The Material trade (announced on 28 October 2021) was a ‘bonus’ but took many weeks to see through a highly complicated transaction and demonstrates the ability of the Group to deal with transactions of this size and complexity.

Solutions, as fully described in the CEO’s Report came on stream late in H1-2021 and ramped-up each month since.

**TABLE 4 – INTERNATIONAL PAYMENTS, FY-2021 and FY-2020**

<b><u>FY-2021</u></b>	<b><u>Turnover</u></b> <b><u>£ millions</u></b>	<b><u>Number of</u></b> <b><u>transactions</u></b>	<b><u>Revenue</u></b> <b><u>£ millions</u></b>	<b><u>Margin</u></b> <b><u>(in bp*)</u></b>	<b><u>Gross profit</u></b> <b><u>%</u></b>
Core	2,473.1	88,314	16.7	65.4	62%
White label	1,094.2	34,090	7.7	70.8	14%
Material trade	114.4	1	1.5	132.3	54%
FX trades from Solutions clients	241.1	584	2.5	101.8	24%
Sub-total, currency	3,922.8	122,989	28.4	72.4	47%
Other flows from Solutions clients	845.9	3,241	1.1	13.0	89%
<b>Totals</b>	<b>4,768.7</b>	<b>126,230</b>	<b>29.5</b>	<b>61.9</b>	
- B2B	4,400.6	97,515	26.3	59.8	
- B2C	368.1	28,715	3.2	88.5	
Totals by segment	4,768.7	126,230	29.5	61.9	
- Spot	3,199.1	114,391	23.2	72.5	
- Forward	723.7	8,598	5.2	71.9	
Total, from currency trades	3,922.8	122,989	28.4	72.4	
<b><u>FY-2020</u></b>	<b><u>Turnover</u></b> <b><u>£ millions</u></b>	<b><u>Number of</u></b> <b><u>transactions</u></b>	<b><u>Revenue</u></b> <b><u>£ millions</u></b>	<b><u>Margin</u></b> <b><u>(in bp*)</u></b>	<b><u>Gross profit</u></b> <b><u>%</u></b>
Core	2,088.7	84,069	15.0	71.8	69%
White label	279.0	10,624	2.4	86.0	29%
Material trade	-	-	-	-	-
Solutions	-	-	-	-	-
TOTALS	2,367.7	94,693	17.4	73.5	64%
- B2B	1,975.0	60,953	13.7	69.4	
- B2C	392.7	33,740	3.7	94.2	
- Spot	1,716.3	86,015	11.5	67.0	
- Forward	651.4	8,678	5.9	90.6	

\*bp = Basis Points representing 100<sup>th</sup> of 1%.

B2B continued to grow, and of the total of revenues from International Payments, represented:

- 91% of total turnover (FY-2020: 83%),
- 89% of total revenue (FY-2020: 79%), and
- 77% of total transactions (FY-2020: 64%).

Part of the growth driver for this was the White-label offering, Equals Connect which trades exclusively through affiliates, and therefore at a lower gross return.

Of the total revenues from International Payments, Spot transactions represented:

- 82% of turnover (FY-2020: 72%),
- 82% of revenue (FY-2020: 66%), and
- 93% of transactions (FY-2020: 91%).

Forward margins fell slightly in the aggregate caused mainly by customers taking shorter-dated forwards through Brexit and COVID-19 uncertainty.

Average transaction values from the core and white label books and composition between B2B/B2C and Spot/Forward were:

**TABLE 4a – INTERNATIONAL PAYMENTS, TRANSACTION SIZES, FY-2021 and FY-2020**

	<u>FY-2021</u> <u>£'000s</u>	<u>FY-2020</u> <u>£'000s</u>
	Transaction size	Transaction size
Core	<b>28.1</b>	20.2
White-label	<b>32.1</b>	26.3
- B2B	<b>34.2</b>	32.4
- B2C	<b>12.8</b>	11.6
- Spot	<b>25.0</b>	20.0
- Forward	<b>84.2</b>	75.0

**Spend platform:**

This is a card-loaded expenses platform delivered via mobile phone or other devices. Extensively used in the film production industry, it enables tight control of corporate expenses but gives companies great flexibility to be agile in their requirement to commit funds. This segment is regarded as B2B.

**TABLE 5 – SPEND PLATFORM**

	<u>FY-2021</u>	<u>FY-2020</u>
Card loads (£ millions)	<b>333.9</b>	203.3
Number of loads	<b>448k</b>	330k
Number of transactions	<b>3,131k</b>	1,872k
Revenue (£ millions)	<b>6.3</b>	3.7
Average revenue/transaction	<b>201p</b>	200p

FY-2021 saw a strong rebound from the COVID-19 impact in FY-2020 – particularly in the final quarter. A greater number of customers (and their employees) were signed-up and able to benefit from advanced product features.

**Personal cards**

The origin of the Group in 2007 was a pre-paid web and mobile-enabled card for affluent individuals, often with family financing needs to be served through our 'linked-cards' option. This segment is categorised as B2C.

**TABLE 6 – PERSONAL CARDS**

	<u>FY-2021</u>	<u>FY-2020</u>
Card loads (£ millions)	<b>61.4</b>	64.4
Number of loads	<b>250k</b>	340k
Number of transactions	<b>1,106k</b>	938k
Revenue (£ millions)	<b>2.4</b>	2.1
Average revenue/transaction	<b>212p</b>	225p

This business saw a modest increase over 2020, but since December 2021 as COVID-19 restrictions have eased, the Group has witnessed an upturn in usage and revenues. The card product is often used by the owners of the SMEs served by our Spend platform, so it remains a useful but not core product. Given the uncertainties posed by COVID-19, the Group limited its marketing expenditure in this segment in FY-2021.

**Banking services**

A suite of bank-style accounts for emerging corporates, established trusts and personal individuals who want a way to control their expenditure. The B2B segment of this income is marginally more than 50% of its total.

**TABLE 7 – BANKING SERVICES**

	<u>FY-2021</u>	<u>FY-2020</u>
Deposits (£ millions)	<b>£1,331</b>	£821
Transactions	<b>5,458k</b>	3,715k
Number of accounts	<b>14.5k</b>	14.2k
Revenue (£ millions)	<b>£5.6</b>	£5.1
Revenue per account	<b>£392</b>	£354

**Bureau de change**

A legacy of the City Forex acquisition in 2018, the Group retains two branches in the City of London, mainly serving corporates in the insurance and other professional services sector, along with walk-in traffic from workers in the City. Thus, there is a mix of B2B and B2C revenues. Owing to the impact of COVID-19, a decision was made to impair the goodwill of this business in FY-2021 and the corresponding impairment is £1,638k

**Variable costs:**

There are three main categories of variable cost:

- (a) Transaction costs – these are third party costs applying to all the above, and range from banking fees to MasterCard costs, and variable KYC and KYB costs.
- (b) Affiliate commissions (or introducer fees); mainly a revenue sharing model applying to International Payments.
- (c) Staff commissions; revenue related commissions payable, through the payroll, to a cohort of highly motivated professionals who may earn monthly, quarterly and annual commissions based on their own success.

The table below shows which business units have the various cost components:

**TABLE 8 – VARIABLE COSTS BY BUSINESS LINE**

<u>£ millions</u>	<u>International payments</u>	<u>Cards</u>	<u>Banking</u>
Transaction costs	1.7	2.7	1.6
Affiliate Commissions	5.0	-	-
White label commissions	6.3		
Staff commissions	2.8	-	-
<b>Totals FY-2021</b>	<b>15.8</b>	<b>2.7</b>	<b>1.6</b>

**Marketing costs**

These include costs relating to the Equals brand, along with specific marketing programmes, relating more to Spend and Banking than other product sets.

## Overheads

As with many 'fintechs', the Group has as its largest cost, staff, followed by IT expenditure, premises, professional fees (many relating to our position on AIM), and modest other expenses.

Staff costs include employment taxes, employee benefits and contractor fees – mainly in our Engineering team. With just over 255 staff, the split of staff is more heavily weighted towards revenue earning/maintaining staff along with product development personnel.

Revenue per employee increased 80% to £172k, up from £96k in 2020. Base cost (meaning, salary, ERs NIC and employers pension contribution) rose from £50k per employee to £52k per employee during the year. Value added per employee rose 160% from £46k to £120k in the year.

Expenditure that meets the obligations and criteria of IAS 38 are capitalised and amortised over the anticipated useful life with a maximum of 60 months from inception.

**TABLE 9 - COMPONENTS OF EXPENDITURE**

<u>£ millions</u>	<u>FY-2021</u>	<u>FY-2020</u>
Staff costs	<b>15.7</b>	16.9
- Less capitalised	<b>(3.0)</b>	(4.0)
- Less: exceptional items	<b>(0.7)</b>	(1.4)
- Less IFRS 16 (vehicles)	<b>(0.1)</b>	-
<b>Net staff costs</b>	<b>11.9</b>	11.5
IT and telephone	<b>2.1</b>	1.7
- Less capitalised	<b>(0.3)</b>	(0.4)
<b>Net IT costs</b>	<b>1.8</b>	1.3
Premises costs	<b>1.8</b>	2.0
- Less IFRS 16	<b>(1.0)</b>	(1.0)
<b>Net premises costs</b>	<b>0.8</b>	1.0
Professional and compliance fees	<b>1.3</b>	1.4
Travel and entertainment	<b>0.3</b>	0.4
Bad debts and similar	-	0.4
	<b>16.1</b>	16.0
<u>Analysed between:</u>		
Gross expenditure	<b>21.2</b>	22.8
Taken to the balance sheet	<b>(4.4)</b>	(5.4)
Below adjusted EBITDA	<b>(0.7)</b>	(1.4)
Totals per Table 1	<b>16.1</b>	16.0
Year-end number of staff	<b>255</b>	270

## Exceptional items

As announced in the interim results on 14 September 2021, the Group carried out some restructuring of a layer of senior management, and the termination and similar costs for that layer have been taken as an exceptional item being £0.7 million.

In 2020 exceptional items were higher at £2.7 million with £1.6 million against COVID-19 and £1.1 million against the migration away from Wirecard, a previous card programme manager for the Group. Of the 2020 costs, £2.0 million was cash incurred, and the balance was related to write-offs.

There were no acquisitions in the year and therefore no expenditure was incurred. (FY-2020: £130k was incurred in connection with the purchase of Effective FX).

## 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). Assets (principally property and similar leases) are also depreciated over the shorter of the useful life of the asset and the lease term.

**TABLE 10 - DEPRECIATION**

	<b>FY-2021</b>	FY-2020
	<b>£'000s</b>	£'000s
IFRS 16 depreciation	<b>931</b>	940
Other depreciation	<b>467</b>	487
	<b>1,398</b>	1,427

Guidance: Based upon the expenditure incurred to 31 December 2021, the depreciation charges for those assets in FY-2022 will be:

	<b>£ millions</b>
IFRS 16 depreciation	0.8
Other depreciation	0.5
	<b>1.3</b>

## 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 11 – COMPONENTS OF AMORTISATION CHARGES**

	<b>FY-2021</b>	FY-2020
	<b>£'000s</b>	£'000s
Amortisation charge arising from the capitalisation of internally developed software in the following years:		
2018 and earlier	<b>1,303</b>	899
2019	<b>1,661</b>	1,382
2020	<b>893</b>	451
2021	<b>287</b>	-
	<b>4,144</b>	2,733
Amortisation charge for other intangibles	<b>357</b>	404
	<b>4,501</b>	3,137
Amortisation of acquired intangibles	<b>1,311</b>	1,210
Total amortisation charge	<b>5,812</b>	4,347

Guidance: Based upon expenditure to 31 December 2021, the amortisation charges for FY-2022 are expected to be:

	<b>£ millions</b>
Internally developed software	4.3
Other intangible assets	0.3
Acquired intangibles	1.3
	<b>5.9</b>

**Finance and other**

IFRS 16 financial charges have been calculated using the lessee's incremental borrowing rate on the NPV of total lease payments, this is released over the lease period to the P&L.

**TABLE 12 – COMPONENTS OF FINANCE AND OTHER CHARGES**

	<b>FY-2021</b>	FY-2020
	<b>£'000s</b>	£'000s
Increase in assessment of contingent consideration (liability) for acquisition of Casco	<b>46</b>	793
Adjustment to discount on valuation of Effective IFRS 16 lease interest expense	<b>278</b>	-
CBILS interest	<b>1</b>	-
Other interest payable	<b>23</b>	18
	<b>536</b>	1,033
Split as follows:		
Included in Finance Charges	<b>490</b>	391
Included in Administrative expenses	<b>46</b>	642

**Impairment**

Revenues from the bureau-de-change business acquired with City Forex in 2018 have declined significantly owing to prolonged COVID-19 restrictions and thus the Group concluded it should be impaired to a carrying value of £579k.

**Taxation**

The Group has £17.2 million of tax losses available.

The Group has been able to receive funds directly from HMRC in relation to claims made for software development. As the Group moves into taxable profits, such claims cease to be paid but offset against future taxable profits. The Group anticipates receiving £0.4 million in relation to the claim for 2021, but possibly no further into the future.

**TABLE 13– BALANCE SHEET**

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

	<u>31.12.2021</u> £'000s	<u>31.12.2020</u> £'000s
IFRS 16 assets, less IFRS 16 liabilities	(388)	(345)
Other non-current assets (other than deferred tax)	<u>32,217</u>	<u>36,495</u>
	<b>31,829</b>	<b>36,150</b>
Liquidity (per Table 14)	<b>10,739</b>	8,827
Trade debtors and accrued income (see note below)	<b>3,638</b>	2,314
R&D rebates	<b>398</b>	1,367
Prepayments	<b>998</b>	860
Deposits and sundry debtors	<b>329</b>	643
Inventory of card stock	<b>168</b>	194
Accounts payable	<b>(1,549)</b>	(1,556)
Affiliate commissions	<b>(1,945)</b>	(343)
PAYE, staff commissions etc.	<b>(1,884)</b>	(1,701)
Other accruals and other creditors	<b>(1,349)</b>	(1,130)
	<b>9,543</b>	9,475
Earn-out balances due (Table 16)	<b>(1,683)</b>	(2,746)
Implied interest thereon	<b>63</b>	341
	<b>(1,620)</b>	(2,405)
Net corporation and deferred tax	<b>888</b>	(547)
Net value of forward contracts	<b>511</b>	(31)
	<b>(221)</b>	(2,983)
<b>NET SHAREHOLDER FUNDS</b>	<b>41,151</b>	<b>42,642</b>
Retained earnings at 1 January	<b>(22,259)</b>	(15,340)
Earnings for the year	<b>(2,424)</b>	(6,919)
Amount attributable to the exercise of share options	<b>93</b>	-
Retained earnings at 31 December	<b>(24,590)</b>	(22,259)
Non-Controlling interest at 1 January	<b>101</b>	119
Earnings for year	<b>162</b>	(18)
Non-Controlling interest at 31 December	<b>263</b>	101
Share capital, share premium	<b>55,011</b>	54,789
Other reserves	<b>10,467</b>	10,011
	<b>65,478</b>	64,800
<b>CAPITAL AND RESERVES</b>	<b>41,151</b>	<b>42,642</b>

**TABLE 14 - LIQUIDITY**

	<b>FY-2021</b>	<b>FY-2020</b>
	£000'S	£000'S
Cash at bank (see Table 15)	13,104	10,032
Balances with liquidity providers	1,675	2,776
Pre-funded balances with card provider	1,615	2,078
<b>Gross liquid resources</b>	<b>16,394</b>	<b>14,886</b>
Customer balances not subject to safeguarding	(3,655)	(4,059)
CBILS loan (see below)	(2,000)	(2,000)
	<u>(5,655)</u>	<u>(6,059)</u>
<b>Net position</b>	<b>10,739</b>	<b>8,827</b>

**Exposures to banks and liquidity providers**

The Group maintains strong relationships with a number of banks and counterparties for spot and forward foreign exchange transactions. The Group has recurring obligations to safeguard customer funds under the rules of the FCA, who are the prime regulator for the Group.

The balances held at 31 December were as follows:

**TABLE 15 – BANK AND SIMILAR BALANCES**

<u>£ millions</u>	<u>Safeguarded</u>	<u>Not required to be safeguarded</u>	<u>Totals</u>
<b>BANKS</b>			
Barclays Bank PLC	47.7	7.1	<b>54.8</b>
NatWest/RBS Group	106.9	3.8	<b>110.7</b>
Bank of England	30.9	-	<b>30.9</b>
Citibank N.A.	26.0	0.1	<b>26.1</b>
Blackrock*	-	2.0	<b>2.0</b>
Others		0.1	<b>0.1</b>
<b>31 December 2021</b>	<b>211.5</b>	<b>13.1</b>	<b>224.6</b>
31 December 2020	96.1	10.0	<b>106.1</b>
<b>LIQUIDITY PROVIDERS</b>			
Barclays Bank PLC		0.4	<b>0.4</b>
Velocity Trade International Ltd		0.1	<b>0.1</b>
Sucden Financial Ltd		1.2	<b>1.2</b>
<b>31 December 2021</b>		<b>1.7</b>	<b>1.7</b>
31 December 2020		2.8	2.8

\*Blackrock is the manager, the legal entity is Institutional Cash Series PLC.

There exist tight controls over forward contracts with daily monitoring and reporting to the Executive Directors. The out-of-the-money position at 31 December 2021 was £0.2 million.

There were, in addition, £212.0 million of customer funds safeguarded at 31 December 2021 (31 December 2020: £96.0 million).

Balances with liquidity providers and customer balances not subject to safeguarding are typically margin calls on forward contracts. Pre-funded balances are required in anticipation of customers loading their cards. Should the Group move to self-issuing, such pre-funding will dissipate.

## Trade debtors and accrued income

In common with market practice, revenue is recognised on forward transactions on the execution of the transaction. There was one particularly large forward transaction with an investment fund client generating profits of £0.9 million and which settled in January 2022.

## Affiliate commissions

The growth in the payable relates to the increase in white label business and introducers for the Solutions business.

## Earn-outs

### Equals Connect (previously Casco Connect)

As announced on 19 November 2019, the Group acquired Casco Financial Services Limited for a maximum consideration of £3,725,000.

### Effective FX

As announced on 15 October 2020, the Group acquired the trade and assets of Effective FX Limited for a maximum consideration of £1,575,000.

Whilst IFRS-3 requires an interest discount factor to be applied, the table below shows the 'real cash' aspects of the acquisitions. The accounting standard requires an annual revaluation of contingent consideration based on historic performance.

The table below shows the financial position relating to these acquisitions

**TABLE 16 – EARNOUTS**

	<u>Hermex</u>	<u>Casco</u>	<u>Effective</u>	<u>Total</u>
Acquisition date	09.08.2019	19.11.2019	15.10.2020	
	£'000s	£'000s	£'000s	£'000s
Acquisition price booked at acquisition	2,000	2,236	1,575	<b>5,811</b>
Earn outs paid by 31.12.2020	(2,000)	(1,733)	(125)	<b>(3,858)</b>
Revaluation of asset based on performance	-	793	-	<b>793</b>
<b>Gross outstanding at 31.12.2020</b>	-	<b>1,296</b>	<b>1,450</b>	<b>2,746</b>
Paid during 2021	-	(741)	(368)	<b>(1,109)</b>
Further change in consideration	-	46	-	<b>46</b>
<b>Gross Outstanding at 31.12.2021</b>	-	<b>601</b>	<b>1,082</b>	<b>1,683</b>
Paid during Q1-2022	-	601	282	<b>833</b>
Due in remainder of 2022	-	-	800	<b>800</b>
Maximum consideration	2,000	3,725	1,575	<b>7,300</b>
Total consideration	2,000	3,075	1,575	<b>6,650</b>

## CBILS loan

On 23 December 2020, the Group drew-down £2,000,000 from NatWest Group under the Government's Coronavirus Business Interruption Loan Scheme ('CBILS'). The loan carries a coupon of Bank base rate plus 2.53%. The loan is repayable at any time, but over 60 equal instalments of £33,333 with the first instalment paid on 21 January 2022.

The interest chargeable in 2021 amounted to £1k.

## Share capital, share premium and share options

The number of shares in issue at 1 January 2021 was 178,602,918. This increased in the year through the exercise of 738,889 share options from former employees (Table 17 below), thus the number of shares outstanding at 31 December 2021 was 179,341,807. A further 704,000 shares at nominal value were issued pursuant to the SIP and admitted to trading on AIM on 16 March 2022, resulting in a total number of shares in issue at the date of signing of the Financial Statements of 180,045,807.

At 31 December 2020, the Company had 9,838,356 options outstanding. 738,889 of these were exercised in 2021, and 376,667 lapsed.

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 were 178,959,402 (2020: 178,602,918).

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 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 43p (2020: 34p), the number of options exceeding the fair value was 3,553,681 (2020: Nil).

On 18 October 2021, the Company announced Discretionary Share Incentive Plans over 4,535,000 shares. The final awards were lower, at 4,369,000. Thus, at the date of signing of these financial statements, there were 13,091,800 options, representing 7.3% of the issued share capital and 6.8% of the enlarged share capital.

The cost of external advice for these schemes amounted to £84k in the year (FY-2020: £Nil)

At 31 December 2021, the Company had distributable reserves of £931,411. At the date of signing of these accounts, this was equivalent to 0.520 pence per share.

**TABLE 17 – OPTIONS EXERCISED IN THE YEAR**

<u>Date exercised</u>	<u>Number of options</u>	<u>Grant price</u>
20 April 2021	88,889	36.00 pence
20 April 2021	50,000	29.75 pence
21 July 2021	300,000	26.50 pence
21 July 2021	250,000	29.75 pence
26 September 2021	50,000	43.50 pence
	<u>738,889</u>	

## CASH STATEMENT

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

<b>TABLE 18 - CASHFLOW</b>	<b>FY-2021</b>	<b>FY-2020</b>
	<b><u>£'000s</u></b>	<b><u>£'000s</u></b>
<b>Adjusted EBITDA</b>	<b>6,713</b>	<b>1,164</b>
R&D tax credits received (see note below)	1,367	2,539
Lease payments (principal and interest)	(1,080)	(1,140)
Exceptional items	(671)	(1,982)
Internally developed software capitalised (see note below)	(3,028)	(4,044)
Purchase of other intangible assets	(532)	(484)
Purchase of other non-current assets	(78)	(160)
Acquisition costs	-	(130)
Movement in working capital	1,269	1,829
	<hr/>	<hr/>
	3,960	(2,408)
Earn-outs and acquisitions	(1,108)	(825)
Funds from exercise of share options	220	-
External funding (CBILS)	-	2,000
	<hr/>	<hr/>
<b>NET CASHFLOWS</b>	<b>3,072</b>	<b>(1,233)</b>
Balance at 1 <sup>st</sup> January	10,032	11,265
<b>Balance at 31<sup>st</sup> December</b>	<b>13,104</b>	<b>10,032</b>
	<hr/>	<hr/>
<b>Amount per share</b>	<b>7.3 pence</b>	5.6 pence

### R&D credits received

These are earned based on a strict set of criteria set by HMRC and broadly based on new internally generated software development. In 2021, £0.4 million was accrued (FY-2020: £1.4 million) and £1.4 million was received relating to claims made for 2020 (FY-2019: £2.5 million). Whilst future claims may be paid, these are unlikely to be receivable in cash.

### Internally developed software capitalised

As a fintech, constantly looking to provide a series of products and platforms, the Group continues to invest and develop. The emergence and rapid growth of the Solutions capability is one tangible deliverable. Equals Money is another product well advanced for which investment is taking place.

**Richard Cooper**  
**Chief Financial Officer**

29 March 2022

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	<u>FY-2021</u> £'000s	<u>FY-2020</u> £'000s
<b>Gross value of all transactions*<sup>1</sup></b>		<b>6,529,034</b>	3,492,671
Revenue from currency transactions		<b>38,424</b>	23,849
Revenue from banking transactions		<b>5,667</b>	5,110
<b>Revenue</b>		<b>44,091</b>	28,959
Transaction and commission costs		<b>(20,071)</b>	(10,670)
<b>Gross Profit</b>		<b>24,020</b>	18,289
Administrative expenses		<b>(18,499)</b>	(21,040)
Depreciation charge		<b>(1,398)</b>	(1,427)
Amortisation charge		<b>(5,812)</b>	(4,347)
Impairment charge		<b>(1,638)</b>	-
Acquisition expenses		-	(130)
<b>Total operating expenses</b>		<b>(27,347)</b>	(26,944)
<b>Memo: Adjusted EBITDA*<sup>2</sup></b>		<b>6,713</b>	1,164
<b>Operating loss</b>	A	<b>(3,327)</b>	(8,655)
Finance cost		<b>(490)</b>	(391)
<b>Loss before tax</b>		<b>(3,817)</b>	(9,046)
Tax credit	B	<b>1,555</b>	2,109
<b>Loss after tax</b>		<b>(2,262)</b>	(6,931)
<b>Attributable to:</b>			
Owners of Equals Group PLC		<b>(2,424)</b>	(6,919)
Non-controlling interest		<b>162</b>	(18)
<b>Other comprehensive income:</b>			
Items that may be reclassified to profit or loss			
Exchange differences arising on translation of foreign operations		-	6
<b>Total comprehensive loss for the year</b>		<b>(2,262)</b>	(6,931)
<b>Attributable to:</b>			
Owners of Equals Group PLC		<b>(2,424)</b>	(6,913)
Non-controlling interest		<b>162</b>	(18)
		<b>(2,262)</b>	(6,931)
<b>Loss per share</b>	C		
Basic		<b>(1.35)p</b>	(3.87)p
Diluted		<b>(1.35)p</b>	(3.87)p

### Notes:

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

\*<sup>1</sup> Gross value of currency transactions sold and banking deposit transactions are a non-GAAP measure and represent the gross value of currency transactions sold to customers and banking deposits made by customers.

\*<sup>2</sup> Adjusted EBITDA is not a GAAP measure and represents operating loss before share option charges, depreciation, amortisation and separately identifiable items (exceptional items).

**CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION**

AS AT 31 DECEMBER

	2021 Group £'000s	2021 Company £'000s	2020 Group £'000s	2020 Company £'000s
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,257	-	1,646	-
Right of use assets	4,874	-	6,061	-
Intangible assets (note F)	17,492	-	19,744	-
Goodwill	13,468	-	15,106	-
Deferred tax assets	949	1,163	3,193	744
Investments	-	61,978	-	61,707
	<b>38,040</b>	<b>63,141</b>	45,750	62,451
<b>Current assets</b>				
Inventories	168	-	194	-
Trade and other receivables	8,256	339	9,586	274
Current tax assets (R&D reclaimable)	397	-	1,367	-
Derivative financial assets (note G)	2,593	-	3,019	-
Cash and cash equivalents	13,104	-	10,032	-
	<b>24,518</b>	<b>339</b>	24,198	274
<b>TOTAL ASSETS</b>	<b>62,258</b>	<b>63,480</b>	69,948	62,725
<b>EQUITY, AND LIABILITIES</b>				
Equity attributable to equity holders				
Share capital	1,793	1,793	1,786	1,786
Share premium	53,218	53,218	53,003	53,003
Share-based payment reserve	1,858	1,580	1,402	1,402
Other reserves	8,609	3,187	8,609	3,187
Accumulated (losses) / retained earnings	(24,590)	1,623	(22,259)	(1,625)
Company profit / (loss) in the year	-	(692)	-	3,155
Equity attributable to owners of Equals Group PLC	<b>40,888</b>	<b>60,709</b>	42,541	60,908
Non-controlling interest	263	-	101	-
	<b>41,151</b>	<b>60,709</b>	42,642	60,908
<b>Non-current liabilities</b>				
Borrowings	1,600	-	2,000	-
Lease liabilities	4,484	-	5,509	-
Deferred tax liabilities	-	-	3,740	-
	<b>6,084</b>	-	11,249	-
<b>Current liabilities</b>				
Borrowings	400	-	-	-
Trade and other payables	12,002	2,771	12,110	1,817
Current tax liabilities	61	-	-	-
Lease liabilities	778	-	897	-
Derivative financial liabilities (note G)	2,082	-	3,050	-
	<b>15,323</b>	<b>2,771</b>	16,057	1,817
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>62,258</b>	<b>63,480</b>	69,948	62,725

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

<b>GROUP</b>	<b>Called up share capital</b>	<b>Share premium</b>	<b>Share-based payment</b>	<b>Accumulated losses / retained earnings</b>	<b>Other reserves</b>	<b>Total attributable to owners of Equals Group PLC</b>	<b>Non-controlling interest</b>	<b>Total equity</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
At 1 January 2020	<b>1,786</b>	<b>53,003</b>	<b>1,345</b>	<b>(15,340)</b>	<b>8,603</b>	<b>49,397</b>	<b>119</b>	<b>49,516</b>
Loss for the year	-	-	-	(6,919)	-	(6,919)	(18)	(6,937)
<b>Other comprehensive income:</b>								
<b>Items that will not be reclassified subsequently to profit or loss:</b>								
Exchange differences arising on translation of foreign operations	-	-	-	-	6	6	-	6
<b>Other items:</b>								
Share-based payment charge	-	-	444	-	-	444	-	444
Movement in deferred tax on share-based payment reserve	-	-	(387)	-	-	(387)	-	(387)
At 31 December 2020	<b>1,786</b>	<b>53,003</b>	<b>1,402</b>	<b>(22,259)</b>	<b>8,609</b>	<b>42,541</b>	<b>101</b>	<b>42,642</b>
(Loss) / profit for the year	-	-	-	(2,424)	-	(2,424)	162	(2,262)
Share-based payment charge	-	-	271	-	-	272	-	272
Share options exercised in year	-	-	(93)	93	-	-	-	-
Shares issued in year	7	215	-	-	-	222	-	222
Movement in deferred tax on share-based payment reserve	-	-	278	-	-	277	-	277
<b>At 31 December 2021</b>	<b>1,793</b>	<b>53,218</b>	<b>1,858</b>	<b>(24,590)</b>	<b>8,609</b>	<b>40,888</b>	<b>263</b>	<b>41,151</b>

COMPANY	Called up share capital	Share premium	Share- based payment	Accumulated losses / retained earnings	Other reserves	Total equity
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
At 1 January 2020	1,786	53,003	958	(1,625)	3,187	57,309
Profit for the year and total comprehensive income	-	-	-	3,155	-	3,155
Share-based payment charge	-	-	444	-	-	444
<b>At 31 December 2020</b>	<b>1,786</b>	<b>53,003</b>	<b>1,402</b>	<b>1,530</b>	<b>3,187</b>	<b>60,908</b>
Loss for the year	-	-	-	(692)	-	(692)
Share-based payment charge	-	-	271	-	-	271
Share options exercised in year	-	-	(93)	93	-	-
Shares issued in year	7	215	-	-	-	222
<b>At 31 December 2021</b>	<b>1,793</b>	<b>53,218</b>	<b>1,580</b>	<b>931</b>	<b>3,187</b>	<b>60,709</b>

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

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

*Other reserves comprise:*

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

**CONSOLIDATED STATEMENT OF CASHFLOWS**  
FOR THE YEAR ENDED 31 DECEMBER 2021

	FY-2021 Group £'000s	FY-2021 Company £'000s	FY-2020 Group £'000s	FY-2020 Company £'000s
<b>Loss before tax</b>	<b>(3,817)</b>	<b>(1,111)</b>	<b>(9,045)</b>	<b>2,650</b>
<b>Add: Cashflows from operating activities:</b>				
<i>Adjustments for:</i>				
Depreciation	1,398	-	1,427	-
Amortisation	5,812	-	4,347	-
Impairment	1,638	-	-	-
Share-based payment charges	272	-	444	-
Decrease / (increase) in trade and other receivables* <sup>1</sup>	3,614	(63)	(401)	(2,507)
(Decrease) / increase in trade and other payables* <sup>2</sup>	(2,688)	954	3,050	(143)
Decrease / (increase) in derivative financial assets	426	-	1,542	-
(Decrease) / increase in derivative financial liabilities	(968)	-	(1,511)	-
Decrease in inventories	26	-	70	-
Finance costs	490	6	391	-
	<b>10,020</b>	<b>897</b>	<b>9,359</b>	<b>(2,650)</b>
<b>Net cash inflow / (outflow)</b>	<b>6,203</b>	<b>(214)</b>	<b>314</b>	<b>-</b>
Tax receipts	1,367	-	2,539	-
<b>NET CASHFLOWS FROM OPERATING ACTIVITIES</b>	<b>7,570</b>	<b>(214)</b>	<b>2,853</b>	<b>-</b>
<b>Cashflows from investing activities</b>				
Acquisition of property plant and equipment	(78)	-	(160)	-
Acquisition of intangibles	(3,560)	-	(4,531)	-
Acquisition of subsidiary, net of cash acquired	-	-	(255)	-
Net cash used in investing activities	<b>(3,638)</b>	<b>-</b>	<b>(4,946)</b>	<b>-</b>
<b>Cashflows from financing activities</b>				
New Borrowings	-	-	2,000	-
Principal elements of lease payments	(872)	-	(891)	-
Interest on financial leases	(194)	-	(222)	-
Other interest paid	(14)	(6)	(27)	-
Proceeds from issuance of ordinary shares	220	220	-	-
Net cash (outflow) / Inflow from financing activities	<b>(860)</b>	<b>214</b>	<b>860</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>3,072</b>	<b>-</b>	<b>(1,233)</b>	<b>-</b>
Cash, and cash equivalents at 1 January	10,032	-	11,265	-
<b>Cash, and cash equivalent at 31 December</b>	<b>13,104</b>	<b>-</b>	<b>10,032</b>	<b>-</b>

\*<sup>1</sup> 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.

\*<sup>2</sup> 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 2021

**A – OPERATING LOSS IS STATED AFTER CHARGING:**

	FY-2021 £'000s	FY-2020 £'000s
<b>Staff costs:</b>		
Commissions	3,152	2,499
Other pay and benefit elements*	14,613	15,987
Training, recruitment,	309	221
Vehicle leasing costs	138	42
Contractors	656	651
Costs gross of exceptional items	18,868	19,400
Less: incorporated in Transaction and commission costs	(3,152)	(2,499)
Less: amounts capitalised	(3,028)	(4,002)
Less: IFRS 16	(138)	(42)
Included in administrative expenses	12,550	12,857
<b>IT, and telephone costs</b>	2,101	1,718
Less: amounts capitalised	(301)	(419)
Included in administrative expenses	1,800	1,299
<b>Professional fees</b>		
Statutory audit costs	303	375
Other professional fees	1,029	1,270
Included in administrative expenses	1,332	1,645
<b>Property costs</b>		
Rents	986	1,067
Other property costs	837	1,035
	1,823	2,102
Less: IFRS 16	(1,001)	(1,021)
Less: amounts capitalised	-	(45)
included in administrative expenses	822	1,036
Travel and subsistence	300	233
Marketing	1,171	1,206
Other costs, including SIP and LTIP advisory fees	87	26
Included in administrative expenses	1,558	1,465
<b>Sub-total, cash based expenditure</b>	<b>18,062</b>	<b>18,302</b>
Share option charge	272	444
Foreign exchange loss	114	199
Contingent consideration charge	51	642
Write-off of card stocks	-	575
Write-off of old debtors balances	-	878
<b>Sub-total, non-cash based costs</b>	<b>437</b>	<b>2,738</b>
<b>Total, administrative expenses</b>	<b>18,499</b>	<b>21,040</b>
Add:		
Depreciation – right to use assets	931	940
Depreciation – property, plant, equipment	467	487
Amortisation charge (see table 11, and note F)	5,812	4,347
Impairment charge	1,638	-
Acquisition costs	-	130
<b>TOTAL OPERATING EXPENSES</b>	<b>27,347</b>	<b>26,944</b>
<i>*includes separately reported items.</i>	671	1,333

## 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.

	<b>FY-2021</b>	FY-2020
	<b>£'000s</b>	£'000s
R&D credit – current year	<b>(398)</b>	(1,347)
R&D credit – prior year	-	(24)
Corporation tax charge	<b>61</b>	-
Current tax credit	<b>(337)</b>	(1,371)
Origination and reversal of temporary differences	<b>(997)</b>	(564)
Recognition of previously unrecognised deductible temporary differences	<b>(221)</b>	(174)
Deferred tax credit	<b>(1,218)</b>	(738)
Total tax credit	<b>(1,555)</b>	(2,109)

At 31 December 2021, the Group had tax losses available to be offset against future taxable profits of £17,186k (FY-2020: £16,880k). The losses can be carried forward indefinitely and have no expiry date.

Additional to corporate taxation, the Group paid £2,851k in taxation during the year as follows:

- a. Employers National Insurance contributions - £1,724k (FY-2020: £1,752k),
- b. irrecoverable VAT - £1,127k (FY-2020: £1,053k)

### 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:

	<b>FY-2021</b>	FY-2020
	<b>£'000s</b>	£'000s
Loss before taxation: continuing operations	<b>(3,817)</b>	(9,046)
Taxation at the UK corporation tax rate of 19.0%	<b>(725)</b>	(1,719)
Net permanent differences between tax and accounting	<b>112</b>	380
Adjustments to R&D tax credits in respect of previous accounting period	-	(24)
Net taxation impact of R&D tax credit claim	<b>(535)</b>	(658)
Remeasure of deferred tax asset on carry-forward losses	<b>(221)</b>	(174)
Effect of change in tax rates	<b>(121)</b>	98
Utilisation of tax losses	<b>(65)</b>	(12)
	<b>(1,555)</b>	(2,109)

## C. LOSS PER SHARE

### *Basic earnings per share*

The calculation of basic profit or loss per share has been based on the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding. The loss after tax attributable to ordinary shareholders of the Group is £2,424k (FY-2020: £6,919k) and the weighted average number of shares for the period was 178,959,402 (FY-2020: 178,602,918).

### *Diluted earnings per share*

The calculation of diluted earnings per share has been based on the loss 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 178,959,402 (FY-2020: 178,602,918).

	<b>Basic FY-2021</b>	<b>Diluted FY-2021</b>	<b>Basic FY-2020</b>	<b>Diluted FY-2020</b>
Loss per share	(1.35)p	(1.35)p	(3.87)p	(3.87)p
Adjusted loss per share (note D)	(0.73)p	(0.73)p	(2.33)p	(2.33)p

## D. ADJUSTED LOSS PER SHARE

Adjusted loss per share is Operating loss after taxation before Separately identified items and amortisation of acquired intangibles and impairment charges.

## E. IMPAIRMENT

The bureau de change business acquired with City Forex in 2018 has languished under COVID-19 restrictions and thus the Group concluded it should be impaired to a carrying value of £579k.

## F. INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets comprise:

<u>All in £'000s</u>	<u>Intangible assets recognised through acquisitions</u>	<u>Intangible assets acquired through internal capitalisation</u>	<u>Other intangible assets</u>	<u>Total, 31 December 2021</u>	<u>Total, 31 December 2020</u>
Cost at 31.12.2020	8,946	18,073	1,442	<b>28,461</b>	28,461
Additions in year	-	3,329	231	<b>3,560</b>	
Cost at 31.12.2021	8,946	21,402	1,673	<b>32,021</b>	
Amortisation at 31.12.2020	(3,229)	(4,832)	(656)	<b>(8,717)</b>	(8,717)
Amortisation in the year	(1,311)	(4,144)	(357)	<b>(5,812)</b>	
Amortisation at 31.12.2021	(4,540)	(8,976)	(1,013)	<b>(14,529)</b>	
<b>Net Book Value at 31.12.2021</b>	<b>4,406</b>	<b>12,426</b>	<b>660</b>	<b>17,492</b>	
Net book value at 31.12.2020	7,355	13,241	786		19,744

## 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 Bloomberg.

## H. RECONCILIATION FROM OPERATING LOSS TO ADJUSTED EBITDA

	FY-2021 £'000s	FY-2020 £'000s
<b>Operating loss before taxation</b>	<b>(3,327)</b>	<b>(8,655)</b>
<b>Add back:</b>		
Depreciation	1,397	1,427
Amortisation	5,812	4,347
Impairment charge	1,638	-
Acquisition expenses	-	130
Separately reported items	671	2,630
FX differences	115	199
Share Option charges	272	444
Other Share Option charges	84	-
Contingent Consideration	51	642
<b>Adjusted EBITDA</b>	<b>6,713</b>	<b>1,164</b>

- ENDS -