

Equals Group plc
(‘Equals’ or the ‘Group’)

Interim Results

‘Significant revenue growth, record Adjusted EBITDA and strong balance sheet’

Equals (AIM: EQLS), the fintech payments group focused on the Enterprise and SME marketplaces, announces its interim results for the six months ended 30 June 2024 (the ‘period’ or ‘H1-2024’) and an update on trading for 49 trading days for the period from 1 July 2024 to Friday 6 September 2024 (‘Q3-2024’).

H1-2024: Financial Summary

	H1-2024	H1-2023	Change
	£ millions	£ millions	%**
Underlying transaction values	9,314	5,964	+56%
Revenue	60.0	45.0	+33%
Gross profit	34.4	23.6	+46%
Gross profit %	57.4%	52.4%	
Adjusted EBITDA*	12.7	9.8	+30%
Adjusted profit*	9.1	6.9	+32%
Operating profit	6.6	5.5	+20%
Adjusted Profit after taxation	7.8	6.2	+26%
Profit after taxation	5.2	4.8	+8%
Adjusted EPS (Basic, in pence)	4.18	3.42	+22%
EPS (Basic, in pence)	2.76	2.64	+5%

Notes

* The term ‘Adjusted’ (including Adjusted EBITDA, Adjusted Profit and Adjusted EPS) excludes: share option charges, amortisation of acquired intangibles, items of an exceptional nature and size. EBITDA is defined as operating profit before depreciation and amortisation.

**Percentages are calculated based on underlying rather than rounded figures.

H1-2024: Financial Highlights

- Record transaction values, with revenues up 33% to £60.0 million (H1-2023: £45.0 million) including £24.8 million derived from the Solutions platform (H1-2023: £13.6 million)
- B2B now represents 87% of total Revenue, up from 83%
- Further improvements to gross profit margin, increasing to 57.4% from 52.4%
- Adjusted EBITDA* increased by 30% to £12.7 million (H1-2023: £9.8 million)
- £1.9 million paid as a final dividend during the period (H1-2023: £ nil)
- £20.5 million Cash at Bank up from £18.7 million at 31 December 2023 despite £1.9 million spent on discharging the liabilities relating to the acquisitions made in FY-2023
- Basic EPS rising to 2.76 pence from 2.64 pence in H1-2023
- Interim dividend of 1.0 pence (H1-2023: 0.5 pence)

H1-2024: Operational and Product Highlights

- Completion of automated 'payment sending service' ('PSS') for outbound payments
- Equals Money Europe onboarded by tier-1 Banking partner to achieve functionality parity with Equals in UK
- Completion of remediation of Equals Money Europe for known pre-acquisition regulatory and compliance issues
- FairFX card product migrated to Equals core platform

Q3-2024 Trading (1 July 2024 to 6 September 2024)

- Year-to-date revenue of £86.9 million, up 38%, from £63.0 million on the same period in 2023
- Q3-24 revenue averaging £549k per day against £383k in the same period in 2023
- Cash at bank, £28.3 million at 6 September 2024

Commenting on the Interim Results, Ian Strafford-Taylor, CEO of Equals Group plc, said:

"This has been another strong half for Equals, which continues to process transactions at record levels with SME clients and larger corporates recognising the value of our well-invested proposition. Indeed, our H1 total transaction values are 120% greater than that of two years ago, and 44% greater year-on-year, reflecting our sustained investment into product development and expansion of our addressable market. The operational leverage that this scale is providing is evident in our increased gross margin and the growth of the Group's profitability.

"Our strategy to continue growing the total addressable market continues to be aided by the white labelling of our product suite, meaning clients can operate as distribution partners for our platform. Our offering in Europe provides another growth opportunity that we are capitalising on. Management's laser focus on B2B as a route to market is fundamental to the growth of the business, not just at the top line but also in terms of profitability and cash generation. We will continue to invest in our platform and proposition in line with our objective to further broaden our addressable market.

"In the light of our strong performance to date in 2024, I am pleased to announce an interim dividend of 1 pence."

This announcement contains inside information.

- Ends -

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Chief Executive Officer's Report

The Group continues to be making global money movement simpler and quicker for business customers via its B2B platforms, Equals Money for SME customers and Equals Solutions for larger corporates. In accordance with this, the Board's objective for 2024 is to build upon the platform created and to increase the total addressable market ('TAM') for the Equals product offerings, whilst concurrently continuing to add functionality to the platform. Equals has achieved these objectives in H1-2024 by the combination of geographical expansion, technological enhancements, and improved sales and marketing supported by further investment.

During H1-2024, Equals Money Europe ('EMEU') adopted the features of our UK offering following the integration with a tier-1 bank enabling our BE-prefixed IBAN's to offer the same range of currencies. The enhanced capabilities of EMEU are expected to drive further growth and expansion of our TAM in H2-2024 and beyond.

Increase in TAM via technology has been achieved by enabling customers to consume all the services of the Equals platform via direct API integrations which opens up Equals to a wider range of potential customers, particularly with larger Corporates who require a direct integration into their systems, often called 'host-to-host'. The APIs enable customers to either consume our services directly, or we can white-label the platform so clients can re-sell it to their own customers, a 'powered by Equals' approach. To aid the speed of customer acquisition in this space, Equals has created a dedicated technical onboarding team of engineers to work with our customers on systems integration.

In essence, Equals has evolved from an initial product suite which was direct to customer, so B2B and B2C. The abilities we now have allow us to also offer B2B2B/C (or B2B2X) which effectively means that other businesses can use our capabilities to sell to their own customer base. Effectively, the customer of Equals becomes a distribution partner for the Equals platform.

The advances the Group made in its offering, combined with improved Sales and Marketing capabilities, meant the Group continued to grow in the first half of 2024, delivering the following strong headline financial performance:

- Transactions executed on the Group's platforms increased by 56% to £9,314 million (H1-2023: £5,964 million)
- Revenue increased by 33% to £60.0 million (H1-2023: £45.0 million)
- Adjusted EBITDA increased by 30% to £12.7 million (H1-2023: £9.8 million)

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

The investments made by the Group over previous years have been instrumental in driving the current strong performance. These investments fall into two major categories, namely internal product development and acquisitions. Investment into internal product development remains vital to driving the business forward and we anticipate keeping our spend in this area at a consistent level going forwards.

Investment into acquisitions has also played a key role in previous years and the Group is consistently alert to possible transactions. As we have demonstrated, all our previous acquisitions have been successfully integrated and have been accretive, giving further confidence in our ability to perform further M&A activity as opportunities arise, particularly with our strong balance sheet.

The success of the Equals strategy for growth is firstly evident in the volume of transactions processed over its systems. The half-yearly trend is presented below:

£ millions

	H1-2022	H2-2022	H1-2023	H2-2023	H1-2024
Transaction value	4,163	5,053	5,964	6,448	9,314
% growth on half year	4%	21%	18%	8%	44%

This consistent growth in transaction volumes translates into half-yearly revenue growth as shown below.

Revenue by six-month period, in £ millions

	H1-2022	H2-2022	H1-2023	H2-2023	H1-2024
Medium enterprises	10.3	12.1	14.0	15.1	15.0
Consumer and small business	7.7	9.0	8.5	8.7	9.3
White-label	7.2	7.8	8.9	7.8	8.6
Large enterprises	6.2	9.4	13.6	17.4	24.8
Europe	-	-	-	1.7	2.3
Total	31.4	38.3	45.0	50.7	60.0

Sales & Marketing

In H2-2024 the Group continued to evolve the structure of its Sales and Marketing teams in line with its focus on B2B customers. Optimisation of B2B customer acquisition requires strong processes for lead generation and outbound sales augmented by high converting digital assets and cost-effective digital marketing.

Equals has continued to strengthen its sales capability by recruitment of experienced professionals capable of consultative selling combined with specific sector expertise.

In addition, as Equals increasingly makes strides in the B2B2X space, the Group has hired a dedicated Head of Sales for this market segment with more recruitment in progress.

Equals continues to utilise 'face-to-face' sales where possible and has increased its presence at industry trade shows and has salespeople consistently travelling to meet customers. The direct sales efforts are augmented by a sales operations team to ensure peak efficiency and conversion.

Profitability

A 33% increase in revenues, improvement in gross profit margin, tight cost control in a tough labour market, combined to result in adjusted EBITDA increasing from £9.8 million in H1-2023 to £12.7 million in H1-2024. As CEO, this a performance I am immensely proud of, and is a testament to the hard work and product delivery of all the employees.

As stated in our interim trading statement, overall profitability is helped by our interest income, which is earned on client safeguarded funds. Equals allocates interest income to the product line that generates the balances. Whilst Equals does not expect interest rates to revert to near 0% levels, some retracing of interest rates is likely. Equals expects to be able to offset this with continued growth in balances combined with extracting better rates from our banking partners.

We have continued to invest in our growth plans, supported by interest income, via increased headcount in sales, marketing, compliance and engineering such that the Group has capacity in place for significant expansion in business volumes.

Dividend

Equals became dividend paying in 2023 with a maiden interim dividend of 0.5 pence per share announced on 9 November 2023 followed by a final dividend of 1 pence per share announced on 22 April 2024. Given consistent growth, as shown above, and strong cash generation, Equals is pleased to propose an interim dividend of 1 pence per share and a further announcement will be made in due course.

No Impact of Dividend on Consortium Proposal

On 10 July 2024 the Board of Equals announced that it had received an improved indicative non-binding proposal from the consortium (the 'Consortium') comprising Embedded Finance Limited and TowerBrook Capital Partners (U.K.) LLP regarding a possible all-cash offer for the entire issued and to be issued share capital of Equals at a price of 135 pence per Equals Share (the 'Proposal'). The Consortium was subsequently expanded to include J.C. Flowers & Co. LLC on 4 September 2024.

As disclosed alongside the Proposal, in accordance with Rule 2.5(a) of the Code, the Consortium has reserved the right to make an offer for Equals on less favourable terms than those initially set out in the 10 July 2024 announcement (i) with the agreement or consent of the Board of Equals; or (ii) following the announcement by Equals of a Rule 9 waiver pursuant to the Code; or (iii) if a third party announces a firm intention to make an offer or a possible offer for Equals which, at that date, is on less favourable terms than those contemplated by the Proposal; or (iv) if Equals announces, declares, makes, or pays any dividend or any other distribution or return of value to shareholders, by making an equivalent reduction to the Proposal.

The Consortium has confirmed that it does not intend to invoke this right in relation to the interim dividend declared today meaning that, should it proceed to make a formal offer for Equals, shareholders will be entitled to receive the interim dividend in addition to any offer consideration payable by the Consortium should it proceed to make a formal offer for Equals.

The proposal for the interim dividend is being made with the consent of the Consortium.

Current trading and outlook

The Global macroeconomic environment continues to be challenging but is showing signs of change, with consensus towards lower interest rates and falling inflation but concurrently stalling economic growth. Against this market backdrop, Equals continues to grow strongly because it has a product and capability suite that is hard to replicate.

In Q3 2024 to date, revenues continued to perform strongly reaching £86.9 million on a year-to-date basis as of Friday, 6 September 2024. This is 38% ahead of the same period in 2023 and represents average revenues per working day over the period from 1 January up to 6 September of £500k compared to £371k per day in the prior year.

As stated, Equals has increased its TAM by adding the capability for customers to connect via API. Whilst these customers take longer to on-board, due to the requirement to connect their systems directly to Equals Core, they are typically larger in size, and are already contributing to revenue growth. The current pipeline for new Solutions customers, both via direct login and API, is strong and

with Equals Money Europe now having full-service capability the Board believes that Equals is well positioned to further increase its addressable markets and distribution channels to drive growth.

Ian Strafford-Taylor
Chief Executive Officer
10 September 2024

REVIEW OF THE CFO

Total revenue in H1-2024 reached £60.0 million, up 33% on H1-2023 (£45.0 million) and up 18.3% on H2-2023 (£50.7 million).

Adjusted EBITDA in H1-2024 was £12.7 million, up 30.0% on H1-2023 (£9.8 million) and 15.7% on H2-2023 (£10.8 million).

The period under review reflects the acquisition of Oonex on 4 July 2023 and the disposal of the FX Bureau in March 2023.

On a like-for-like basis the key metrics are:

£ millions	Revenue	Adjusted EBITDA
H1-2023 as originally reported	45.0	9.8
Less: FX Bureau disposed in March 2023	(0.1)	(0.1)
Add: Pre-acquisition results from Oonex in H1-2023	1.4	(1.8)
H1-2023 comparison	<u>46.3</u>	<u>7.9</u>
H1-2024 actuals	<u>60.0</u>	<u>12.7</u>
% change in like for like	<u>29.6%</u>	<u>60.8%</u>

Profit before tax has been impacted by the costs of the Strategic Review which amounted to £0.6 million in both H1-2024 and in H2-2023.

Cashflows have been affected in the period by a number of items, including:

- £1.9 million associated with earn-outs or the discharge of liabilities acquired through acquisitions;
- £1.9 million dividend paid;
- £2.4 million swing in working capital (now reversed); and,
- £0.6 million in professional fees incurred on the Strategic Review.

The Group had £20.5 million of cash at 30 June 2024 and £28.3 million at 6 September 2024. In terms of our liquidity measures (which include cash balances with liquidity providers, card intermediaries but less customer segregated balances) the Group had £20.9 million at 30 June 2024 and £28.4 million at Friday, 6 September 2024.

Totals may not sum due to rounding. Percentages are calculating on underlying figures before rounding. Where costs cannot be accurately attributed to each segment, they have been allocated on the basis of revenue.

Table 1: Income and expense account

	H1-2024	H1-2023	H2-2023
	£ millions	£ millions	£ millions
Trading revenue	50.4	40.8	43.7
Interest revenue	9.6	4.2	7.0
Total Revenue (table 3)	60.0	45.0	50.7
Gross Profits (table 4)	34.4	23.6	28.7
Less: Marketing	(2.1)	(1.2)	(1.4)
Contribution	32.4	22.4	27.4
Net Expenditure (table 5)	(19.7)	(12.7)	(16.5)
Adjusted EBITDA	12.7	9.8	10.8
Less: Share option expense	(1.1)	(0.7)	(0.7)
Less: Acquisition costs	-	-	(1.4)
Less: Exceptional items	(0.6)	-	(0.7)
EBITDA	11.0	9.1	8.0
IFRS 16 Depreciation (table 6)	(0.4)	(0.3)	(0.4)
Other depreciation (table 6)	(0.2)	(0.2)	(0.3)
Amortisation of acquired intangibles (table 7)	(0.8)	(0.7)	(1.0)
Other amortisation (table 7)	(2.7)	(2.5)	(2.9)
	(4.1)	(3.7)	(4.6)
Contingent consideration credit	-	0.2	0.3
Gain on disposal of Travel Cash CGU	-	0.4	-
	(4.1)	(3.1)	(4.3)
EBIT	6.9	5.9	3.8
Lease interest	(0.1)	(0.1)	(0.1)
Foreign exchange differences	(0.3)	-	(0.3)
Contingent consideration finance charges	-	-	(0.1)
	(0.4)	(0.1)	(0.5)
PROFIT BEFORE TAXATION	6.5	5.8	3.3
Corporate and deferred taxation	(1.3)	(1.0)	(0.4)
PROFIT FOR THE PERIOD	5.2	4.8	2.9

Table 2: EBITDA bridge from previous half-year (H2-2023)

	£ millions
H2-2023 Adjusted EBITDA	10.8
Higher interest earnings	2.8
Higher trading gross profits from increased revenues	2.9
Offset by: Higher marketing, including events and sponsorships	(0.7)
Higher headcount, and staff costs including increases in EMEU	(2.0)
Higher IT costs arising from higher transaction volumes	(0.8)
Higher compliance costs arising from increased monitoring of transactions and more clients being onboarded	(0.6)
Reduction in other expenditure through robust cost control	0.3
H1-2024 Adjusted EBITDA	12.7

Table 3: Revenue analysis

The table below shows the revenue for the last five periods of six months, split by customer grouping and within than the type of business provided.

By segment, including interest allocated to segments

£ millions	H1-2022	H2-2022	H1-2023	H2-2023	H1-2024
<i>International Payments</i>	6.9	8.0	9.2	9.7	10.3
<i>Cards</i>	3.4	4.1	4.8	5.4	4.7
Medium enterprises	10.3	12.1	14.0	15.1	15.0
<i>International Payments</i>	2.1	2.4	1.9	1.9	2.6
<i>Cards</i>	2.3	2.8	2.4	2.6	2.7
<i>Banking</i>	2.8	3.3	4.1	4.2	4.0
Consumer and small business	7.2	8.5	8.4	8.7	9.3
White-label	7.2	7.8	8.9	7.8	8.6
Large enterprises ('Solutions')	6.2	9.4	13.6	17.4	24.8
Europe	-	-	-	1.7	2.3
Bureau de change	0.5	0.5	0.1	-	-
Total	31.4	38.3	45.0	50.7	60.0

By income type

FX	21.4	23.5	24.7	22.4	25.2
Fees	9.9	13.9	16.1	21.3	25.2
Total, trading revenue	31.3	37.4	40.8	43.7	50.4
Interest	0.1	0.9	4.2	7.0	9.6
Total	31.4	38.3	45.0	50.7	60.0

Trading revenue, excluding interest

Trading revenue increased 15% to £50.4 million from H2-2023 (£43.7 million) and by 23.5% from H1-2023.

Interest

Interest income on safeguarded customer funds rose to £9.6 million, up from £7.0 million in H2-2023 and £4.2million in H1-2023.

Interest is earned on balances maintained in GBP, EUR and USD. Interest earning balances have risen sharply from an average of £313 million in H1-2023 to £350 million in H2-2023, £438 million in Q1-2024 and £533 million in Q2-2024.

Interest earning balances in Tier-1 banks in July 2024 closed at £620 million earning an aggregate of 3.76%. The approximate mix of balances by currency is: USD 48%, EUR 27%. GBP 25%. Thus the impact of the growth of balances, more than offsets the recent reduction in UK interest rates announced by the Bank of England on 1 August 2024.

The Group dynamically manages balances and interest rates, having positively renegotiated across the three Tier-1 banks used. A new Tier-1 bank has been recently onboarded with highly competitive rates.

Interest is a key component of pricing across all product segments by dominated by Solutions. Thus, revenue by segment is shown gross of interest.

Revenue by distribution channel

The Group has two distribution channels: direct, or via affiliates. The Group has been building up its direct sales team which naturally increases staff costs, but, produces a higher gross margin as there is less 'pay-away' to affiliates and staff commissions can be controlled better.

Revenue from direct channels is around 48% of the total, marginally up on H1-2023 (47%).

Revenue by customer type

The Group has been pivoting away from its B2C origins for some time, disposing of the FX Bureau in March 2023 and having little focus on marketing to B2C customers in cards ('FairFX') and in Banking ('CardOneMoney').

The percentage of revenue from B2B has increased from 75.5% in H1-2022 to 82.8% in H1-2023 and now to 87.1% in H1-2024.

Revenue by type

As the Group develops, it has not only pivoted away from B2C but also focused towards more recurring revenue. Of the trading revenue, fees now represents 50% as compared to 39% in H1-2023 and 32% in H1-2022.

Revenue by segment

a. Solutions

Solutions now represents over 41% of Group revenues.

The investment in technology, systems and compliance processes to enable the Solutions product to be sold to international customers with complex payment needs evolved several years ago and enabled a launch in H1-2021. Since then, revenues have grown thus:

	£ millions
H1-2021	0.3
H2-2021	3.3
H1-2022	6.2
H2-2022	9.4
H1-2023	13.6
H2-2023	17.4
H1-2024	24.8

There remains a strong pipeline for new Solutions customers despite the compliance complexities often involved in onboarding these customers. The Group has also seen significant transactional growth from existing customers as Equals becomes more embedded in their own architecture.

b. International Payments

Revenue increased by 17% from £11.1 million in H1-2023 to £13.0 million in H1-2024 against strong economic headwinds. Revenue from higher-value forward transactions fell marginally, but overall the number of transactions rose by 11.5%.

Again, there remains a strong pipeline of customers and active customers increased by 20% during the period.

c. White-label

White-label has grown alongside the rigorous onboard and transaction monitoring process. The reported figures do not however tell the whole story as the Group has one, very low margin client historically focused on EU real-estate transactions who have seen their own revenue stagnate and fall, and this was particularly evident in H2-2023, whilst other customers (over 120 and growing) have performed much better.

Overall, White-label grew to £8.6 million, up 10.3% over H2-2023 and the Group has 126 white-label customers representing close to 4,000 end customers.

d. Cards

Both the B2B 'Spend' card and the B2C 'FairFx' card run on the same technology platform and benefit from the same associations with Mastercard, Marqueta and Valitor.

Revenues have declined slightly, some of this is attributable to the hangover of the USA actor strikes, which caused less usage of the product on film productions, which is a core industry for this product. Having said that, July 2024 saw a record month for card income, reaching £1.3 million in the month alone.

e. Banking

The ‘CardOneMoney’ platform also serves both B2B and B2C, but is a non-core product and receives minimal marketing investment. Its revenue remains relatively static at £4.0 million in H1-2024 (H1-2023: £4.1 million).

f. Europe

Oonex SA (now renamed Equals Money Europe SA (“EMEU”)) was acquired on 4 July 2023. It has a card business and a ‘solutions’ style business. Revenues in the half-year before acquisition were £1.4 million, in H2-2023 they grew 21.4% to £1.7 million.

H1-2024 revenue amounted to £2.3 million, an increase of 32% and, when compared to H1-2023 (pre-acquisition), it grew by 64.3%.

In early July 2024, external accountants had been able to report to the Board that EMEU was fully remediated. This opens the door to offering more product, particularly FX and Solutions into the EU.

GROSS PROFITS

Whilst revenues have grown by 33% over the same period last year, Gross Profits increased by 46%. This is a result of the impact of interest income (which has no associated cost), and the changing mix of business including a greater percentage being derived from direct sales as opposed to affiliates.

Gross profit ratios over the last five six-month periods are shown below:

Table 4 – Gross profit margin %

	H1-2022	H2-2022	H1-2023	H2-2023	H1-2024
<i>International Payments</i>	59%	51%	57%	58%	62%
<i>Cards</i>	59%	66%	65%	67%	66%
Medium enterprises	58%	56%	59%	61%	63%
<i>International Payments</i>	71%	71%	68%	68%	68%
<i>Cards</i>	61%	64%	58%	61%	63%
<i>Banking</i>	75%	79%	85%	84%	83%
Consumer, and small business	69%	72%	74%	74%	75%
White-label	11%	13%	19%	21%	14%
Large enterprises (Solutions)	47%	50%	54%	60%	67%
Cash (affiliate from H2-2023)	48%	42%	31%	87%	60%
Europe	-	-	-	56%	57%
Total	47%	49%	52%	56%	57%

MARKETING

The Group has increased its marketing spend, most notably by taking exhibition stands at industry groups such as ‘Money 20/20’ and some regional sponsorships, along with greater investment in SEO. All taken together, the Group has seen significant potential customer engagement and is closely monitoring ROI from these initiatives.

EXPENDITURE

In H1-2024 gross costs, including those of EMEU rose to £24 million from £22.6 million, and increase of 6%. The amount of expenditure added-back to Adjusted EBITDA was £4.3 million against £6.1 million in H2-2023.

The gross costs were offset as follows:

Table 5: detail of expenditure

	£ millions	H1-2023	H2-2023	H1-2024
Gross costs		15.7	22.6	24.0
Less:				
- software capitalised (staff costs)		(2.4)	(3.2)	(3.0)
- Other IT costs capitalised		(0.3)	(0.3)	(0.3)
- IFRS 16 adjustments		(0.3)	(0.4)	(0.4)
- Acquisition cost		-	(1.4)	-
- Exceptional item – strategic review		-	(0.6)	(0.6)
- Exceptional item – reserves restructuring		-	(0.1)	-
Total of costs above adjusted EBITDA		<u>12.7</u>	<u>16.5</u>	19.7
Of which...				
- EMEU (formerly Oonex)		-	1.3	2.1*
- All other		<u>12.7</u>	<u>15.2</u>	17.6
		<u>12.7</u>	<u>16.5</u>	19.7

The split of these costs is as below:

	£ millions	H1-2023	H2-2023	H1-2024	Memo - EMEU
Staff costs		9.2	11.1	13.2	1.5
IT & telephone		1.4	1.8	2.6	0.3
Compliance expenditure		0.6	1.0	1.5	0.1
Other professional fees		0.7	1.5	1.2	0.1
Property and similar		0.5	0.7	0.8	0.1
Travel and similar		0.3	0.4	0.4	0.0
Total of costs above adjusted EBITDA		<u>12.7</u>	<u>16.5</u>	19.7	<i>2.1*</i>
Headcount (including contractors)					
- Average headcount		333	403	428	33
- Period end headcount		349	421	426	35

Staff costs have increased with both headcount, upskilling and inflationary wage pressures, along with the acquisition of staff in Oonex (28 originally, and now 35).

IT & telephone has increased, not just with the take-on of Oonex, but also ever more hosting charges for the technology stack and transaction volumes being handled by the Group.

Compliance expenditure represents both a very significant increase in the tools to monitor transactions and onboarding, along with specific professional advice relating to changing FCA rules and overseas regulators. The cost is expected to fall in H2-2024.

Other professional fees remained relatively static but impacted by external inflationary pressures.

Property includes the serviced offices in EU along with both London and Chester. The Group has no owned premises.

EXCEPTIONAL ITEMS

Strategic review

The costs of the Strategic Review were:

- H2-2023: £0.7 million
- H1-2024: £0.6 million

Restructuring of reserves

The Group embarked on a restructuring of its reserves in 2023 in order to create distributable reserves and hence the commencement of payment of ordinary dividends. This required Court consent, which successfully concluded in Q4-2023 leading to the payment of 0.5 pence per share dividend in that period, and a further 1.0 pence per share in June 2024.

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 6: elements of depreciation charge

	H1-2024	H1-2023
	£'000s	£'000s
IFRS 16 depreciation	355	332
Other depreciation	200	193
	555	525

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 7: Components of amortisation charge

	H1-2024	H1-2023
	£'000s	£'000s
Amortisation charge arising from the capitalisation of internally developed software in the following years:		
2018 and earlier	130	272
2019	470	831
2020	447	447
2021	333	288
2022	451	377
2023	520	123
	2,351	2,338
Current year, H1-2024	173	-
	2,524	2,338
Amortisation charge for other intangibles	197	141
	2,721	2,479
Amortisation of acquired intangibles	798	686
Total amortisation charge	3,519	3,165

OPERATING PROFIT

The Group made a profit before taxation of £6.5 million in H1-2024, compared to £5.8 million in H1-2023.

TAXATION, INCLUDING R&D CREDITS

The Group has recognised a net tax charge of £1,296k (H1-2023: £1,031k).

At 31 December 2023 the Group had usable tax losses of £12.4 million. The White-label business, Equals Connect Ltd, is profitable and tax paying, as until 3 October 2022 its profits could not be offset against other group company losses. At 30 June 2024 it is estimated that the Group has usable tax losses of £9.1 million.

The Financial statements for the full year of 2024 will be prepared under the 'RDEC' scheme as Equals will have exceeded the SME scheme limits on revenue and gross assets.

Under the RDEC scheme, the accounting treatment recognises the credit as an 'above the line' adjustment.

This allows 20% of eligible R&D expenditure (staff and IT costs) to be credited to the P&L as either other income or netted off against R&D costs, such as staff costs on the income statement. This credit is subject to corporation tax, resulting in an effective tax rate of 15%, compared to 21.5% under the SME scheme.

The value of the scheme is accounted for in the P&L over five accounting years, as opposed to one year under the SME scheme, so the impact of the RDEC scheme appears marginally dilutive. The tables below show the impact on the financial statements.

Table 8: Impact of RDEC scheme

£ millions	H1-2024	H1-2023	FY-2023
Adjusted EBITDA as currently stated	12.7	9.8	20.6
Impact of RDEC (if applied)	0.1	0.1	0.2
Revised EBITDA	12.8	9.9	20.8
Taxation charge as currently stated	1.3	1	1.4
Impact of RDEC (if applied)	0.6	0.6	1.3
Revised taxation charge	1.9	1.6	2.7
Profit after tax as currently stated	5.2	4.8	7.7
Impact of RDEC (if applied)	(0.5)	(0.5)	(1.1)
Revised profit after tax	4.7	4.3	6.6
Currently stated EPS:	H1-2024	H1-2023	FY-2023
Basic	2.76p	2.64p	4.22p
Diluted	2.60p	2.52p	4.00p
Adjusted Basic	4.18p	3.42p	7.16p
Adjusted Diluted	3.93p	3.27p	6.79p
Revised EPS:			
Basic	2.51p	2.37p	3.59p
Diluted	2.36p	2.27p	3.41p
Adjusted Basic	3.89p	3.14p	6.54p
Adjusted Diluted	3.67p	3.01p	6.20p

Table 9: Balance Sheet

This table shows a compressed 'balance sheet' for the Group. This splits-out (from the statutory disclosure) certain current assets arising from the acquisitions being made.

	30.06.2024	30.06.2023	31.12.2023
	£'000s	£'000s	£'000s
Internally generated software – cost	35,428	28,723	32,207
Internally generated software – accumulated amortisation	(20,931)	(15,749)	(18,407)
	<u>14,497</u>	<u>12,974</u>	<u>13,800</u>
Other non-current assets (other than 'right to use')	32,117	22,965	32,949
IFRS 16 assets, less IFRS 16 liabilities	(554)	(635)	(599)
	<u>46,060</u>	<u>35,304</u>	<u>46,150</u>
Liquidity (per Table 12)	20,907	16,621	17,803
Accrued Income and Trade Debtors	7,649	5,577	6,503
Accrued Safeguarded Funding Receivable	1,129	-	-
Prepaid advances to Oonex	-	1,248	-
Net value of forward contracts	702	827	358
Prepayments	2,026	1,627	1,789
Deferred consideration receivable from the sale of the FX Bureau (received in July 2024)	100	100	100
Inventory of card stock	408	237	372
Other Sundry Debtors	521	164	196
Current assets as presented in this format	<u>33,442</u>	<u>26,401</u>	<u>27,121</u>
Less:			
Accounts payable	(2,454)	(2,617)	(2,831)
Affiliate commissions	(3,031)	(3,061)	(3,135)
PAYE and Vat	(1,106)	(849)	(1,023)
Staff commissions and accrued bonuses	(1,869)	(1,436)	(2,391)
Card Settlement Trade Liabilities	(4,193)	-	-
Purchase accruals and other creditors	(3,039)	(2,050)	(3,700)
Accrued acquired liabilities for Oonex S.A.	(627)	-	(1,519)
Earn-out balances due*	(749)	(4,605)	(1,777)
Net corporation and deferred tax	(412)	986	849
Liabilities as presented in this format	<u>(17,480)</u>	<u>(13,632)</u>	<u>(15,527)</u>
Net, as presented in this format	15,962	12,769	11,594
NET SHAREHOLDER FUNDS	<u>62,022</u>	<u>48,073</u>	<u>57,744</u>

At 30 June 2024, the Company has distributable reserves of £20,671k. This is equivalent to £0.11 per share.

*The June 2024 earn-out balances not paid are attributable to Hamer & Hamer and the balance remaining could be payable over 2 years from and including April 2025.

ACQUISITIONS

The Group made a series of acquisitions in 2023, but none in 2024. The table below shows the impact of these acquisitions:

Table 10: Acquisitions

Acquisition date	Total	Roqgett	Hamer & Hamer*	Oonex S.A.
	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	835	715	-	120
Total cash paid for acquisitions	4,965	884	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	8,655	1,384	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*	768	-	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

By period recognised:

	Total	H1-2023	H2-2023
	£'000s	£'000s	£'000s
Roqgett	2,214	2,214	-
Hamer & Hamer	2,607	2,607	-
Oonex S.A.	11,237	-	11,237
Total intangibles acquired	16,058	4,821	11,237

* the remaining earn-out balance payable relates to Hamer & Hamer and are paid 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 1st anniversary earn out was paid in May 2024.

SHARE CAPITAL AND SHARE OPTIONS

Share Capital

The number of shares in issue at 1 January 2024 was 186,627,898. This increased in the year through the issue of 1,000,000 shares in relation to the final tranche of the acquisition of Equals Money Europe SA (previously Oonex SA), so the number of shares outstanding at 30 June 2024 and at the date of this report is 187,627,898.

In July 2024, 904,800 share options were exercised by a former employee of the Group, so at the date of reporting, 10 September 2024 the issued share capital was 188,532,698.

Share options

At 1 January 2024, the Company had 16,390,301 options outstanding. 35,712 have lapsed during 2024 due to employees leaving the Group. After 30 June 2024 but before the date of this announcement, 904,800 shares have been exercised and a further 100,000 share options lapsed, thus, at the date of signing of these financial statements, there were 15,349,789 options, representing 8.14% of the issued share capital and 7.53% of the fully enlarged share capital.

The cost of external advice for these schemes amounted to £9k in the period (H1-2023: £15k).

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 in the period was 187,496,030 (H1-2023: 181,533,904).

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 118 pence (H1-2023: 91 pence), the number of options exceeding the fair value was 11,546,758 (H1-2023: 8,089,807).

The basic and diluted EPS are shown below:

	Basic	Basic	Diluted	Diluted
	H1-2024	H1-2023	H1-2024	H1-2023
Profit per share (in pence)	2.76	2.64	2.60	2.52

Adjusted earnings and adjusted EPS

The Group provides the following on EPS adjustments:

	H1-2024	H1-2023
	£'000s	£'000s
P&L YTD Attributable to owners of Equals Group PLC	5,184	4,788
Add back:		
- Share option charges	1,066	741
- Amortisation of acquired intangibles	798	686
- Exceptional items*	625	-
- Tax impacts thereon*	155	-
Adjusted earnings	7,828	6,215

The resulting earnings per share are shown below:

	<u>Basic</u> H1-2024	<u>Basic</u> H1-2023	<u>Diluted</u> H1-2024	<u>Diluted</u> H1-2023
Adjusted profit per share (in pence)	4.18	3.42	3.93	3.27

CASHFLOWS AND LIQUIDITY

The movement in the cash position is shown in the table below, splitting out trading from M&A activities:

Table 11: Cashflows	<u>H1-2024</u> <u>£'000s</u>	<u>H1-2023</u> <u>£'000s</u>	<u>H2-2023</u> <u>£'000s</u>
Adjusted EBITDA	12,661	9,825	10,812
Lease payments (principal and interest)	(468)	(488)	(441)
R&D tax credits received via Roqqett acquisition	-	232	-
Exceptional items	(625)	-	(714)
Internally developed software capitalised for R&D:			
- Staff	(2,959)	(2,449)	(3,204)
- IT Costs	(262)	(273)	(280)
Purchase of other intangible assets less disposals	(242)	(284)	(128)
Purchase of other non-current assets	(121)	(252)	(226)
	<u>7,984</u>	<u>6,311</u>	<u>5,819</u>
Movement in working capital	(2,389)	(1,063)	36
'Operational Cash inflows'	<u>5,595</u>	<u>5,248</u>	<u>5,855</u>
Acquisition costs expensed through income statement	-	-	(1,377)
Net acquired consideration	-	(2,746)	(1,719)
Acquired Liabilities associated with acquisition	(879)	-	-
Earn-outs	(1,028)	-	(1,092)
Net cash proceeds in Disposal of CGU	-	280	-
M&A outflows	<u>(1,907)</u>	<u>(2,466)</u>	<u>(4,188)</u>
Funds from exercise of share options	-	97	-
Dividend payments	(1,876)	-	(928)
NET CASHFLOWS	<u>1,812</u>	<u>2,879</u>	<u>739</u>
Opening balance	18,662	15,044	17,923
Closing Balance	<u>20,474</u>	<u>17,923</u>	<u>18,662</u>
Cash per share	<u>10.9p</u>	<u>9.9p</u>	<u>10.2p</u>

Working capital movements commonly comprise:

- Timing differences between accrued and paid affiliate commissions;
- Timing differences between accrued and paid performance related pay;
- Timing difference between accrued expenses and the settlement of subsequent invoices;
- Profit transfers from the Client ledgers; and,
- Margin calls (or releases) from liquidity providers.

The Group enhances its reputation by aiming to pay all suppliers on the invoice due date.

Table 12: Liquidity	H1-2024	H1-2023
	£'000s	£'000s
Cash at bank	20,474	17,923
Balances with liquidity providers	2,503	2,863
Pre-funded balances with card provider	1,370	759
Gross liquid resources	24,347	21,545
Customer balances not subject to safeguarding	(3,440)	(4,924)
Net position	20,907	16,621

The Group has its principal banking and deposit arrangements with Barclays, NatWest, Citibank and Blackrock. As a member of RTGS, the Group also holds interest-earning balances with the Bank of England.

Richard Cooper
Chief Financial Officer
 10 September 2024

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

		Period end 30 June 2024 Unaudited £000	Period end 30 June 2023 Unaudited £000	Year end 31 December 2023 Audited £000
	Note			
Revenue on currency transactions		53,625	40,983	85,614
Banking revenue		4,026	4,045	8,350
Europe revenue		2,299	-	1,747
Revenue	2	<u>59,950</u>	<u>45,028</u>	<u>95,711</u>
Direct costs	2	<u>(25,503)</u>	<u>(21,425)</u>	<u>(43,385)</u>
Gross profit		34,447	23,603	52,326
Administrative expenses	3	(23,806)	(14,395)	(33,739)
Depreciation		(555)	(525)	(1,228)
Amortisation charge		(3,519)	(3,165)	(7,048)
Acquisition costs		-	-	(1,377)
Total operating expenses		<u>(27,880)</u>	<u>(18,085)</u>	<u>(43,392)</u>
Operating profit		6,567	5,518	8,934
Other income and expenses:				
Gain on the sale of the Cash CGU		-	380	380
Finance costs	7	(87)	(79)	(166)
Profit before tax		<u>6,480</u>	<u>5,819</u>	<u>9,148</u>
Tax charge	4	<u>(1,296)</u>	<u>(1,031)</u>	<u>(1,402)</u>
Profit after tax		<u>5,184</u>	<u>4,788</u>	<u>7,746</u>
Other comprehensive income:				
Exchange differences arising on translation of foreign operations		-	-	6
Total comprehensive income		<u>5,184</u>	<u>4,788</u>	<u>7,752</u>
Profit per share				
Basic		2.76p	2.64p	4.22p
Diluted		<u>2.60p</u>	<u>2.52p</u>	<u>4.00p</u>

All income and expenses arise from continuing operations.

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

		As at 30 June 2024	As at 30 June 2023	As at 31 December 2023
	Note	Unaudited £000	Unaudited £000	Audited £000
ASSETS				
Non-current assets				
Property, plant and equipment		1,040	1,215	1,120
Right of use assets		2,672	3,171	2,881
Intangible assets and goodwill		45,575	34,724	45,629
Deferred tax assets		312	1,171	956
		<u>49,599</u>	<u>40,281</u>	<u>50,586</u>
Current assets				
Inventories		408	237	372
Trade and other receivables		16,149	13,413	13,431
Derivative financial assets		3,976	5,616	4,760
Cash and cash equivalents		20,474	17,923	18,662
		<u>41,007</u>	<u>37,189</u>	<u>37,225</u>
TOTAL ASSETS		<u>90,606</u>	<u>77,470</u>	<u>87,811</u>
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Share capital	6	1,876	1,818	1,866
Share premium	6	28,498	53,498	28,498
Share based payment reserve		6,534	4,143	5,564
Other reserves		13,546	8,609	13,556
Retained earnings / (deficit)		11,568	(19,995)	8,260
		<u>62,022</u>	<u>48,073</u>	<u>57,744</u>
Non-current liabilities				
Right of use (lease) liabilities		2,474	3,063	2,730
		<u>2,474</u>	<u>3,063</u>	<u>2,730</u>
Current liabilities				
Trade and other payables		21,359	20,617	22,079
Current tax liabilities		724	185	106
Right of use (lease) liabilities		753	743	750
Derivative financial liabilities		3,274	4,789	4,402
		<u>26,110</u>	<u>26,334</u>	<u>27,337</u>
TOTAL EQUITY AND LIABILITIES		<u>90,606</u>	<u>77,470</u>	<u>87,811</u>

**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

Group	Share capital £000	Share premium £000	Share based payment £000	Retained earnings / (deficit) £000	Other reserves £000	Total equity £000
At 1 January 2023	1,807	53,405	3,231	(24,148)	8,609	42,904
Profit for the period and total comprehensive income	-	-	-	4,788	-	4,788
Purchase of Roqqett reserves	-	-	-	(666)	-	(666)
Purchase of Hamer & Hamer reserves	-	-	-	31	-	31
Share based payment charge	-	-	726	-	-	726
New shares issued	11	93	-	-	-	104
Movement in deferred tax on share-based payment charge	-	-	186	-	-	186
At 30 June 2023	1,818	53,498	4,143	(19,995)	8,609	48,073
Profit for the period	-	-	-	2,958	-	2,958
Other comprehensive income - exchange differences arising on translation of foreign operations	-	-	-	-	6	6
Purchase of acquisition reserves correction	-	-	-	635	-	635
Share based payment charge	-	-	693	-	-	693
Share options exercised in year	3	-	(333)	333	-	3
New shares issued	39	-	-	-	-	39
Shares issued in relation to Roqqett acquisition	6	-	-	-	494	500
Dividends paid in year	-	-	-	(928)	-	(928)
Share premium reduction scheme	-	(25,000)	-	25,000	-	-
Shares issued in relation to Oonex acquisition	-	-	-	-	3,844	3,844
Shares yet to be issued in relation to Oonex acquisition	-	-	-	-	860	860
Oonex deferred shares – non-payable	-	-	-	50	(50)	-
Transfer of Q-Money contingent liability	-	-	-	207	(207)	-
Movement in deferred tax on share-based payment charge	-	-	1,061	-	-	1,061
At 31 December 2023	1,866	28,498	5,564	8,260	13,556	57,744
Profit for the period	-	-	-	5,184	-	5,184
Share based payment charge	-	-	1,057	-	-	1,057
Movement in deferred tax on share-based payment charge	-	-	(87)	-	-	(87)
Dividends paid	-	-	-	(1,876)	-	(1,876)
Oonex deferred consideration	10	-	-	-	(10)	-
At 30 June 2024	1,876	28,498	6,534	11,568	13,546	62,022

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 operations

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024**

	Six month period ended 30 June 2024 Unaudited £000	Six month period ended 30 June 2023 Unaudited £000	Six month period ended 31 December 2023 Audited £000
Operating Activities			
Profit for the period	6,480	5,819	3,329
<i>Adjustments for:</i>			
Depreciation	555	525	703
Amortisation	3,519	3,165	3,883
Share based payment charge	1,057	726	693
Increase in trade and other receivables	(3,103)	(3,431)	(2,985)
Decrease in trade and other payables	(355)	(69)	(317)
Decrease in derivative financial assets	784	-	856
Decrease in derivative financial liabilities	(1,128)	-	(387)
(Increase) / decrease in inventories	(36)	55	(135)
Finance costs	87	79	88
Net cash inflow	<u>7,860</u>	<u>6,869</u>	<u>5,728</u>
Tax receipts	-	-	232
Tax paid	(120)	(192)	(153)
Net cash inflow from operating activities	<u>7,740</u>	<u>6,677</u>	<u>5,807</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	(121)	(401)	(78)
Acquisition of intangibles	(3,463)	(3,005)	(3,613)
Net cash used in investing activities	<u>(3,584)</u>	<u>(3,406)</u>	<u>(3,691)</u>
Cash flows from financing activities			
Principal elements of lease payments	(394)	(415)	(371)
Interest paid on finance lease	(74)	(73)	(82)
Interest paid	-	(8)	8
Dividends paid	(1,876)	-	(928)
Proceeds from issuance of ordinary shares	-	104	(4)
Net cash used in financing activities	<u>(2,344)</u>	<u>(392)</u>	<u>(1,377)</u>
Net increase in cash and cash equivalents	1,812	2,879	739
Cash and cash equivalents at the beginning of the period	18,662	15,044	17,923
Cash and cash equivalents at end of the period	<u><u>20,474</u></u>	<u><u>17,923</u></u>	<u><u>18,662</u></u>

CONSOLIDATED NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

1. Basis of preparation

The principal accounting policies applied in the preparation of the Group and Interim Consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared on a historical cost basis with the exception of derivative financial instruments which are measured at fair value through profit or loss.

These financial statements are prepared in accordance with UK-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements are presented in sterling, the Group's presentational currency.

The unaudited consolidated Interim financial statements have been prepared in accordance with the AIM rules and consistently with the basis of preparation and accounting policies set out in the accounts of the Group for the period ended 31 December 2023. The information set out herein is abbreviated and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. These interim consolidated financial statements do not include all disclosures which would be required in a complete set of financial statements and should be read in conjunction with the 2023 Annual Report.

The Company is a limited liability company incorporated and domiciled in England and Wales and whose shares are quoted on AIM, a market operated by The London Stock Exchange.

a) Critical judgements and estimates

IFRS requires management to make estimates, judgements and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates are based on the Directors best knowledge and past experience. The existing critical judgements and estimates set out in note 3.25 of the Group's annual report for the year ended 31 December 2023 have been reviewed in preparing these Interim consolidated financial statements and the Directors believe they remain relevant.

b) Going concern

The Board continues to closely monitor its performance and considers a range of risks that could affect the future performance and position of the Group. The Board considers it has a reasonable expectation that it has adequate resources to continue to operate for the foreseeable future and therefore the financial statements are prepared on a going concern basis.

2. Segmental Analysis

Based on previously identified cash generating units, the segmental results were as follows:

Unaudited	International Payments	Solutions	Currency Cards	Travel Cash	Banking	Europe	Central	Total
6 months ended 30 June 2024	£000	£000	£000	£000	£000	£000	£000	£000
Segment revenue	21,422	24,765	7,433	5	4,026	2,299	-	59,950
Direct costs	(11,564)	(9,652)	(2,632)	(2)	(746)	(907)	-	(25,503)
Gross profit	9,858	15,113	4,801	3	3,280	1,392	-	34,447
Administrative expenses	-	-	-	-	-	-	(23,806)	(23,806)
Depreciation	-	-	-	-	-	-	(555)	(555)
Amortisation	-	-	-	-	-	-	(3,519)	(3,519)
Finance costs	-	-	-	-	-	-	(87)	(87)
Profit / (loss) before tax	9,858	15,113	4,801	3	3,280	1,392	(27,967)	6,480
Current assets	-	-	-	-	4,252	1,742	35,013	41,007
Non-current assets	20,995	2,289	5,182	-	9,774	11,047	312	49,599
Total liabilities	-	-	-	-	(1,895)	(1,289)	(25,400)	(28,584)
Total net assets	20,995	2,289	5,182	-	12,131	11,500	9,925	62,022

Unaudited	International Payments	Solutions	Currency Cards	Travel Cash	Banking	Central	Total
6 months ended 30 June 2023	£000	£000	£000	£000	£000	£000	£000
Segment revenue	19,986	13,587	7,205	129	4,121	-	45,028
Direct costs	(11,775)	(6,230)	(2,650)	(90)	(680)	-	(21,425)
Gross profit	8,211	7,357	4,555	39	3,441	-	23,603
Administrative expenses	-	-	-	-	-	(14,395)	(14,395)
Depreciation	-	-	-	-	-	(525)	(525)
Amortisation	-	-	-	-	-	(3,165)	(3,165)
Gain on the sale of the cash CGU	-	-	-	380	-	-	380
Finance costs	-	-	-	-	-	(79)	(79)
Profit / (loss) before tax	8,211	7,357	4,555	419	3,441	(18,164)	5,819
Current assets	-	-	-	-	3,143	34,046	37,189
Non-current assets	22,035	-	5,323	-	2,371	10,552	40,281
Total liabilities	-	-	-	-	(1,904)	(27,493)	(29,397)
Total net assets	22,035	-	5,323	-	3,610	17,105	48,073

Audited	International Payments	Solutions	Currency Cards	Travel Cash	Banking	Europe	Central	Total
6 months ended 31 December 2023	£000	£000	£000	£000	£000	£000	£000	£000
Segment revenue	19,284	17,384	8,026	13	4,229	1,747	-	50,683
Direct costs	(10,677)	(7,050)	(2,786)	(2)	(673)	(772)	-	(21,960)
Gross profit	8,607	10,334	5,240	11	3,556	975	-	28,723
Administrative expenses	-	-	-	-	-	-	(19,344)	(19,344)
Depreciation	-	-	-	-	-	-	(703)	(703)
Amortisation	-	-	-	-	-	-	(3,883)	(3,883)
Acquisition costs	-	-	-	-	-	-	(1,377)	(1,377)
Finance costs	-	-	-	-	-	-	(87)	(87)
Profit / (loss) before tax	8,607	10,334	5,240	11	3,556	975	(25,394)	3,329
Current assets	-	-	-	-	5,045	1,400	30,780	37,225
Non-current assets	21,048	1,956	5,164	-	10,341	11,171	906	50,586
Total liabilities	-	-	-	-	(1,828)	(1,014)	(27,225)	(30,067)
Total net assets	21,048	1,956	5,164	-	13,558	11,557	4,461	57,744

3. Operating profit

Operating profit is stated after charging the following operating expenses:

	6 months ended 30 June 2024 Unaudited £000	6 months ended 30 June 2023 Unaudited £000	12 months ended 31 December 2023 Audited £000
Marketing costs	2,096	1,206	2,565
Staff costs	13,237	9,194	20,270
Property and office costs	757	517	1,160
Audit fees	404	231	493
Compliance costs	1,515	552	1,508
Other professional fees	1,394	460	2,381
IT and telephone cost	2,557	1,351	3,306
Travel and similar	430	257	633
Foreign exchange loss	328	30	346
Share option charge and other share option related costs	1,066	741	1,447
Contingent consideration	-	(155)	(459)
Other costs	22	11	89
Administrative costs	23,806	14,395	33,739
Depreciation of right of use assets	355	331	692
Depreciation of property, plant and equipment	200	194	536
Amortisation charge	3,519	3,165	7,048
Acquisition costs	-	-	1,377
Total operating expenses	27,880	18,085	43,392

4. Taxation

	6 months ended 30 June 2024 Unaudited £000	6 months ended 30 June 2023 Unaudited £000	12 months ended 31 December 2023 Audited £000
Current year corporation tax charge	738	185	259
Current tax charge	738	185	259
Origination and reversal of temporary differences	554	38	534
Recognition of previously unrecognised deductible temporary differences	4	808	844
Deferred tax – prior year adjustment	-	-	(235)
Deferred tax charge	558	846	1,143
Total tax charge	1,296	1,031	1,402

5. Earnings per share

Basic earnings per share is calculated based on the £5,184k profit attributable to owners of Equals Group plc (H1-2023: £4,788k) divided by the weighted average number of shares of 187,496,030 in the period (H1-2023: 181,533,904), giving a result of 2.76 pence per share (H1-2023: 2.64 pence per share).

6. Share capital

	6 months ended 30 June 2024 Unaudited No.	6 months ended 30 June 2024 Unaudited £000	6 months ended 30 June 2023 Unaudited £000	12 months ended 31 December 2023 Audited £000
Authorised, issued and fully paid-up ordinary shares of £0.01 each				
As at start of period	186,627,898	1,866	1,807	1,807
Issued during the period – share options	-	-	3	3
Issued during the period – SIP	-	-	8	10
Issued during the period – Oonex acquisition	1,000,000	10	-	40
Issued during the period – Roqqett acquisition	-	-	-	6
As at end of period	187,627,898	1,876	1,818	1,866

On 4 January 2024, deferred shares of 1,000,000 relating to the Oonex acquisition were issued as the last tranche payment due.

7. Finance costs

Finance costs comprise: the unwind of discount on the lease liability under IFRS 16; the unwind of discount on deferred consideration in respect of business and company acquisitions made by the Group and other financing interest costs.

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