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9 July 2024

Finseta plc
("Finseta", the "Company" or the "Group")

H1 2024 Trading Update
Strong H1 2024 performance and on track to report significant growth for FY 2024

Finseta plc (AIM: FIN), a foreign exchange and payments solutions company offering multi-currency accounts to businesses and individuals through its proprietary technology platform, is pleased to provide an unaudited update on trading for the six months ended 30 June 2024 ("H1 2024").

H1 2024 Highlights

- Revenue increased by c. 42% to c. £5.1m (H1 2023: £3.6m)
- Growth in active customers¹ to 952 (H1 2023: 874) and increase in average transaction value
- Gross margin improved to c. 65% (H1 2023: 61.0%)
- Adj. EBITDA² increased by c. 300% to c. £0.8m (H1 2023: £0.2m)
- Cashflow generated from operations of c. £0.7m (H1 2023: £0.1m)
- Strong balance sheet with cash and cash equivalents at 30 June 2024 of £2.8m (31 December 2023: £2.3m)
- On track to report significant revenue growth for full year 2024 in line with the Board's expectations

As noted in the Group's full year results announcement on 8 May 2024, the strong trading momentum that was experienced in 2023 had been sustained into the current year, and this continued through H1 2024. As a result, the Group expects to report an increase in revenue for H1 2024 of approximately 42%, to £5.1m (H1 2023: £3.6m). This significant growth was driven by an increase in active customers to 952 (H1 2023: 874) as well as an increase in average transaction value, reflecting the Group's expansion of its sales team and introducer network and an increased focus on providing an exceptional level of service to its corporate and high net worth individual ("HNWI") clients.

The Group expects to report an improvement in gross margin to c. 65% for H1 2024 (H1 2023: 61.0%). This is primarily due to the Group no longer deriving revenue from white label partners following its strategic decision to manage down its historic white label business. On an underlying basis, to exclude revenue generated by white label partners in H1 2023, the Group's revenue grew by c. 54% in H1 2024 over H1 2023. Revenue by client type remained stable, with HNWI customers accounting for 61% and corporate customers for 39% (H1 2023: 62% and 38%, respectively).

Adjusted EBITDA is expected to be c. £0.8m for the first half of 2024 (H1 2023: £0.2m). This growth reflects the increase in revenue as well as the Group beginning to benefit from the operating leverage offered by its highly scalable platform. Cashflow generated from operations was c. £0.7m (H1 2023: £0.1m), with the Group generating a total net cash inflow of c. £0.4m for the H1 2024 period (H1 2023: £0.1m). Accordingly, cash and cash equivalents at 30 June 2024 increased to £2.8m (31 December 2023: £2.3m).

James Hickman, CEO of Finseta, said: "This has been another excellent period of delivery for Finseta, with substantial growth in revenue and EBTIDA as we continued to increase our number of customers and average transaction value. This reflects our success in executing on our strategy to expand our introducer network and payments capabilities while maintaining the high level of customer service for which we are known.

Alongside this, we continued to strengthen our business and drivers of future growth with the important progress made in establishing a presence in Canada and with our card programme. Accordingly, and with the strong trading momentum being sustained, we remain on track to deliver significant growth for FY 2024 in line with the Board's expectations and look to the future with great confidence."

The Group will provide further information on its H1 2024 performance in its interim results announcement, which is scheduled to be published on 10 September 2024.

¹ Defined as customers who traded through Finseta during the 12-month periods to 30 June 2024 and 2023 respectively

² Adjusted to exclude share-based compensation, transaction costs, depreciation & amortisation charges, profit from the disposal of a subsidiary, other operating income related to interest on client balances and non-cash based accounting adjustments in respect of the Group's corporate premises

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About Finseta plc

Finseta plc (AIM: FIN) is a foreign exchange and payments company offering multi-currency accounts and payment solutions to businesses and individuals. Headquartered in the City of London, Finseta combines a proprietary technology platform with a high level of personalised service to support clients with payments in over 150 countries in 58 currencies. With a track record of over 12 years, Finseta has the expertise, experience and expanding global partner network to be able to execute complex cross-border payments. It is fully regulated, through its wholly-owned subsidiaries, by the Financial Conduct Authority as an Electronic Money Institution and by the Financial Transactions and Reports Analysis Centre of Canada as a Money Services Business.

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