

PensionBee Group plc
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28 August 2024

PensionBee Group plc

Interim Results for the six months ended 30 June 2024

Creating a Global Leader in the Retirement Market
Successful Strategy drives Strong UK Business Performance
US Launch builds on Growth Ambition and Leverages Execution Capability

PensionBee Group plc ('PensionBee' and together with its subsidiary companies the 'Group'), a leading online pension provider, today announces interim results for the six month period ended 30 June 2024 (1H 2024).

The Group has delivered strong financial and operational performance during the first half of the year, with high levels of growth achieved across key metrics, in line with the Q2 2024 Results announcement released on 24 July 2024.

Highlights¹

- PensionBee's online pension offering continued to make retirement planning and saving straightforward and enjoyable, making customers 'Pension Confident', serving 252,000 Invested Customers by June 2024 (1H 2023: 211,000).
- Assets under Administration rose to £5.2bn by June 2024 (1H 2023: £3.7bn), with Revenue correspondingly growing to £15.4m for the half year 2024 (1H 2023: £10.9m).
- PensionBee achieved Adjusted EBITDA profitability for the second quarter of the year, paving the way for its UK business to reach Adjusted EBITDA profitability for the full year 2024.²
- Efficient customer acquisition continued to be core to the growth strategy. With PensionBee's household brand name in the UK and prompted brand awareness of 55%³ (1H 2023: 50%), 23,000 new Invested Customers were onboarded during the first half of the year (1H 2023: 28,000). Cost per Invested Customer continued to decline to £242 (1H 2023: £247).
- PensionBee's scalable technology platform enabled it to serve customers with new product innovations, enabling continued engagement.
- Delivery of exceptional Customer Service continued to be prioritised, demonstrated by the achievement of a 4.7★ Excellent Trustpilot score⁴ (1H 2023: 4.6★) and rapid response times on live chat and phones during the busy end of tax year period.
- PensionBee entered the US market, the world's largest Defined Contribution pension market, in partnership with State Street Global Advisors, one of its long-standing asset management providers.

Romi Savova, Chief Executive Officer of PensionBee, commented:

"Our resolute focus on serving our customers, together with the consistent execution of our strategy, have seen us deliver strong operational and financial performance across the first half of the year - achieving 40% growth of Assets under Administration to £5.2 billion and the substantial growth of our Invested Customers base to 252,000. We continue to delight our customers with excellent customer service and new product initiatives, as reflected in our 4.7★ Excellent Trustpilot rating and Customer Retention Rate in excess of 95%. We remain confident in the delivery of Adjusted EBITDA profitability across the UK business for the full year 2024.

Leveraging the deep knowledge and expertise gained from successfully building and growing our UK business, we are now creating a global leader in the retirement market. We have entered the US market, the world's largest Defined Contribution pension market, expanding the reach of our award-winning customer proposition, innovative technology platform and unique marketing approach to millions of Americans, many of whom also struggle to prepare adequately for retirement as they navigate a complex and confusing pensions landscape.

This marks a significant step towards the achievement of our vision: a world where everyone can enjoy a happy retirement."

Performance Overview¹

- Assets under Administration increased by 40% year on year to £5.2bn (1H 2023: £3.7bn), driven by strong net flows from new and existing customers and supportive markets.
- Correspondingly, Revenue increased by 41% to £15.4m (1H 2023: £10.9m), owing to the resilient Revenue Margin.
- Invested Customer base increased by 19% year on year to 252,000 (1H 2023: 211,000), driven by continued brand awareness. Customer Retention Rate and AUA Retention Rate both >95%, remained high and stable (1H 2023: >95%).
- Group Adjusted EBITDA of £(2.0)m (1H 2023: £(7.9)m) and Group Adjusted EBITDA Margin of (13)% (1H 2023: (73)%), reflecting efficient investment in marketing, operating leverage and commitment to profitability in the UK.²
- Profit/(Loss) before Tax of £(3.8)m (1H 2023: £(9.2)m) and Profit/(Loss) before Tax Margin of (24)% (1H 2023: (85)%).
- Basic Earnings per Share of (1.64)p (1H 2023: (4.06)p).
- Cash position of £10.9m (1H 2023: £14.2m).

Group Financial Highlights¹

	For the 6-month Period Ending		
	Jun-2024	Jun-2023	YoY
Revenue (£m)	15.4	10.9	41%
Cost Base (£m) ⁵	(17.4)	(18.8)	(7)%
Adjusted EBITDA (£m) ²	(2.0)	(7.9)	75%
Adjusted EBITDA Margin (% of Revenue) ²	(13)%	(73)%	+60ppt ⁶
Profit/(Loss) before Tax (£m)	(3.8)	(9.2)	59%
Profit/(Loss) before Tax Margin (% of Revenue)	(24)%	(85)%	+60ppt ⁶
Basic and Diluted Earnings per Share	(1.64)p	(4.06)p	60%

Group Non-Financial Highlights¹

	As at Period End		
	Jun-2024	Jun-2023	YoY
AUA (£m)	5,196	3,704	40%
AUA Retention Rate (% of AUA)	>95%	>95%	stable at >95%
Invested Customers ('IC') (thousands)	252	211	19%
Customer Retention Rate (% of IC)	>95%	>95%	stable at >95%
Cost per Invested Customer (£)	242	247	(2)%
Revenue Margin	0.64%	0.65%	stable

	As at Period End		
	Jun-2024	Jun-2023	YoY
Opening AUA (£m)	4,350	3,025	44%
Gross Inflows (£m)	695	612	14%
Gross Outflows (£m)	(214)	(143)	49%
Net Flows (£m)	482	469	3%
Market Growth and Other (£m)	364	210	74%
Closing AUA (£m)	5,196	3,704	40%

Notes:

1. See Definitions section.
2. PensionBee's Key Performance Indicators include alternative performance measures ('APMs'), in particular Adjusted Earnings Before Interest, Taxes, Depreciation, Amortisation, Share-based payments and Expansion Costs ('Adjusted EBITDA'). APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes APMs assist in providing additional insight into the underlying performance of PensionBee and aid comparability of information between reporting periods. A reconciliation to the nearest IFRS number is provided in the Notes to the Condensed Consolidated Financial Statements 'Alternative Performance Measures'.
3. PensionBee prompted brand awareness tracker, April 2024. Prompted brand awareness measured through a consumer survey asking 'Which of the following have you heard of?' with respect to UK financial services brands: Aviva 82%, Scottish Widows 74%, Standard Life 68%, PensionBee 55%, Hargreaves Lansdown 40%, Nutmeg 37%, AJ Bell 33%, Interactive Investor 11%.
4. Trustpilot score of 4.7★ out of 5 (based on 10,920 reviews) recorded 11 July 2024.
5. Cost Base is Money Manager Costs, Technology Platform Costs & Other Operating Expenses and Marketing cost.
6. ppt is the absolute change in percentage points.

Enquiries

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About PensionBee

PensionBee is creating a global leader in the consumer retirement market, with £5.2 billion in assets on behalf of 252,000 customers.

Founded in 2014, we aspire to make as many people as possible pension confident so that everyone can enjoy a happy retirement.

We help our customers to combine their retirement savings into a new online account, which they can manage from the palm of their hand.

PensionBee accounts are invested by the world's largest investment managers, collectively looking after more than \$10 trillion in savings between them. Each PensionBee customer has a personal account manager ('BeeKeeper') to guide them through their savings and retirement journey. PensionBee has an 'Excellent' Trustpilot rating based on over 10,000 reviews.

As a public company, we aspire to the highest standards in everything we do because our customers deserve peace of mind. Our team of c.200 professionals, based in London and New York, has one focus: you, our customer.

PensionBee is listed on the London Stock Exchange (LON:PBEE).

Forward-Looking Statements

Statements that are not historical facts, including statements about PensionBee's or management's beliefs and expectations, are forward-looking statements. The Interim Results contain forward-looking statements, which by their nature involve substantial risks and uncertainties as they relate to events and depend on circumstances which will occur in the future and actual results and developments may differ materially from those expressly stated or otherwise implied by these statements.

These forward-looking statements are statements regarding PensionBee's intentions, beliefs or current expectations concerning, among other things, its results of operations, financial condition, prospects, growth, strategies and the industry and markets within which it operates.

These forward-looking statements relate to the date of these Interim Results and PensionBee does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of the Interim Results.

Chief Executive Officer's Report

Creating a Global Leader in the Consumer Retirement Market

We are creating a global leader in the consumer retirement market. We exist to help our customers prepare for and enjoy a happy retirement. We enable our customers to combine their old retirement accounts into a new online plan. We enable them to make contributions, to invest in line with their objectives with money managed by the world's largest asset managers, and ultimately to withdraw and spend their retirement savings.

Our aspiration is to build a lifetime relationship with our customers, generating predictable and scalable revenue for our company and returns for our investors.

Our Mission and Vision

As we fast approach our 10th anniversary since inception, we have reflected on and refreshed our company's mission and vision, which guide us and remind us of our reason for being.

Our mission is to build pension confidence

Having made pensions simple, we have evolved our mission to reflect the ambition that we have for our customers: we want them to feel empowered and confident managing through all stages of their working life through to their retirement. We have supported this with continued product innovation designed to meet customer needs, through the prioritisation of excellent customer service and the maintenance of a leading technology platform. The need for retirement planning and pension ownership has never been greater, so our mission remains as critical as ever.

Our vision is a world where everyone can enjoy a happy retirement

Having successfully built and grown our UK business into a leading online pension provider, developing a depth and breadth of knowledge and expertise, we are leveraging this to create a global leader in the retirement market. Launching our US business and entering the world's largest Defined Contribution pension market, has enabled us to expand the reach of our award-winning customer proposition, innovative technology platform and unique marketing approach to millions of Americans. This represents a significant step towards the achievement of our vision.

Overview of Group Performance

2024 has provided a more supportive and stable market backdrop than previous years, but nonetheless continued geopolitical risks, a persistently high interest rate environment, and it being a critical election year in both the UK and the US, have meant some uncertainty has remained.

Our business has continued to demonstrate resilience, strength and substantial growth. Our customer-centric proposition, led by product and technological innovation, excellent customer service, and transparent and straightforward fees, has continued to resonate well in the enormous market of pension savers. An unwavering focus on serving our customers, together with our team's ability to execute and advance our strategic goals,

have supported the delivery of strong Group financial and operational performance for the first half of 2024.

We have maintained our strong growth momentum, with Assets under Administration ('AUA') increasing by 40% to £5.2bn (1H 2023: £3.7bn), underpinned by £482m of Net Flows (1H 2023: £469m) from new and existing customers and £364m from supportive markets growing our customers' pension assets (1H 2023: £210m). Revenue increased by 41% to £15.4m (1H 2023: £10.9m) across the first half of the year, with Annual Run Rate Revenue increasing by 39% to £32m (June 2023: £23m).⁵

We achieved significant customer growth, efficiently acquiring 23,000 new Invested Customers across the first half of the year (1H 2023: 28,000) to reach 252,000 Invested Customers (1H 2023: 211,000). We achieved this customer growth while maintaining a Customer Retention rate of 96% (1H 2023: 97%) and continued strong customer satisfaction (4.7★ out of 5 Excellent Trustpilot score).¹

Efficient investment in marketing and in our scalable technology platform, together with overarching cost discipline, have driven rapid and efficient growth. Our ability to efficiently spend on marketing has seen us maintain our household brand name status, which has supported new customer growth with a declining customer acquisition cost.

Accordingly, Group Adjusted EBITDA increased to £(2.0)m (1H 2023: £(7.9)m) and the Group Adjusted EBITDA Margin narrowed to (13)% (1H 2023: (73)%), demonstrating the operating leverage in our business model, and paving the way for the achievement of Adjusted EBITDA profitability in the UK business for the full year 2024. Profit/(Loss) before Tax narrowed to £(3.8)m (1H 2023: £(9.2)m).

United Kingdom: Successful Strategy drives Strong UK Business Performance

UK Overview

Efficient Investment in Customer Acquisition and Brand Awareness

In the first half of the year, we invested £5.8m in marketing expenditure (1H 2023: £6.8m), bringing our total marketing spend since inception to £61m (1H 2023: £52m). This investment has been instrumental in growing our brand presence and in enabling us to attract new customers efficiently.

Highlights include our National Geographic sponsorship, further investment in our award-winning 'Pension Confident' podcast, partnerships with other financial communities, and our longstanding Brentford Football Club sponsorship.

The strength of our marketing capability and our data-led multi-channel marketing approach, combined with PensionBee's strong brand recognition in the UK as evidenced by prompted brand awareness of c.55% (1H 2023: 50%), has continued to deliver marketing efficiency.² We achieved a 3% year-over-year increase in Net Flows with a 14% reduction in marketing expenditure, highlighting the efficiency and impact of our marketing investments. At the same time, Cost per Invested Customer ('CPIC') has continued to demonstrate a downward trajectory, in line with expectations and within the desired threshold, reducing to £242 (H1 2023: £247).

Leadership in Product Innovation

We continued to develop our product offering for the benefit of our customers, incrementally rolling out new features to enable greater customer engagement. Our data shows that engaged customers are more likely to grow their pensions with us and are therefore more likely to enjoy the type of retirement they deserve.

In the first half of the year, we launched several new features designed to enhance customer experience and engagement. Notably, we released our new fund past performance tracker, a feature which provides customers with a clearer understanding of our plans through more investment transparency and educational content.

The implementation of a new onboarding checklist feature in the app has provided our customers with a handy tool to help them more fully utilise the app's functionality. The checklist encourages customers to transfer more pensions to their PensionBee account, to add contributions and encourages deeper engagement with our services.

Investment in and Development of an Industry Leading Technology Platform

We continued to invest in our technology capability over the first half of the year in support of our growth ambitions. We invested in scaling our technology by enhancing internal automation, efficiency, security, and pension transfer processes. These efforts have boosted productivity, evidenced by a 23% improvement year-on-year to 1,264 (1H 2023: 1,026) in the Invested Customers per Staff Member metric (1H 2023: 12%).⁶

We have continued to explore the potential for adopting artificial intelligence ('AI') tooling within our departments, completing a company-wide trial of an AI platform, and prototyping large language model based analysis of customer feedback through our data warehouse. We are increasingly integrating our data platform within our daily product management operations, linking core Key Performance Indicators to projects to ensure our multidisciplinary development teams remain productive and impactful.

Finally, we continued to implement cyber security tools and best practices to keep our customers' data safe. We transitioned our Information Security Management System to the updated version of the ISO 27001 standard. Our InfoSec programme continued to reinforce a culture of security awareness through threat simulation, monitoring and automation in information security operations and compliance.

Focus on Excellent Customer Service

We continued our relentless focus on the provision of excellent customer service to create the best pension experience possible for our customers, to leave them delighted.

We are proud to have delivered excellent customer support, as demonstrated by rapid response times even through the busy end of tax year period, with live chat and phone waiting times of 14 and 45 seconds respectively. Consequently, we have continued to enjoy high ratings from our customers, giving our team great purpose and inspiration. We pay close attention to our Trustpilot and app store ratings, which serve as an indicator of customer satisfaction. We are pleased to have maintained our excellent ratings across both, with a

4.7★ Excellent Trustpilot rating having been achieved from 10,920 customer reviews (1H 2023: 4.6★).¹

Ensuring excellent levels of customer satisfaction is central to our ambition of retaining and serving our customers throughout their lifetimes. We demonstrated the continued strength of our customer value proposition by maintaining a Customer Retention Rate of 96% for the first half of the year (1H 2023: 97%). It is as a result of these high customer retention levels generating high levels of recurring revenues, combined with the scalability of our technology platform, that we can generate operating leverage over time.

UK Guidance and Outlook

We are pleased to reiterate the guidance previously provided.

UK Revenue Objectives

- We are aiming to deliver sustained and high Revenue growth by continuing to appeal to the mass market acquiring more new customers and growing customers' pension balances.
- We are pursuing a c.2% market share of the £1.2tr UK transferable pensions market over the next 5-10 years equivalent to c.1m Invested Customers (assuming an average pension pot size of £20000-25000).³
- We expect to maintain relative Revenue Margin stability translating into long-term Revenue growth.

UK Profitability Objectives

- Given historical investment in brand and technology over many years and the achievement of ongoing Adjusted EBITDA profitability in the final quarter of 2023 and again in this quarter the UK business is on track to deliver Adjusted EBITDA profitability for the full year 2024.
- Our ambition is to achieve long-term EBITDA Margins of over 50% leveraging the scalability of the technology platform through further automation while maintaining the high quality of service and by steadily continuing to reduce the Cost per Invested Customer

United States: Launch builds on Growth Ambition and Leverages Execution Capability

US Overview

On 18 July 2024, we announced the launch of our US business, confirming that our subsidiary PensionBee Inc. had entered into a strategic partnership with one of our long-standing asset management providers, State Street Global Advisors ('State Street'). The United States is the world's largest Defined Contribution pension market, representing approximately 80% of the global total and \$22.5tr in assets.⁴

PensionBee will deploy its award-winning online retirement proposition and proprietary technology, enabling US consumers to easily consolidate and roll over their 401(k) plans and Individual Retirement Accounts ('IRAs') into one new PensionBee IRA.

PensionBee Inc. offers a range of investment portfolio options, with underlying State Street model portfolios. Each investment portfolio is constructed exclusively with Exchange Traded Funds ('ETFs') managed by State Street.

The PensionBee IRA is offered under a wrap fee program, including the PensionBee advisory service, asset allocation and management fees and custody fees.

State Street will provide meaningful marketing support to PensionBee as we use our data-led, multi-channel customer acquisition approach to attract new customers. Under the terms of the agreement with State Street, the annual amount of the marketing support is variable based on the achievement of certain net new asset thresholds. Marketing support is expected to continue for 5-7 years.

PensionBee Inc. is a wholly owned subsidiary of PensionBee. PensionBee Inc. is financially managed separately to PensionBee Group's UK business. PensionBee Inc. is separately regulated by the Securities and Exchange Commission as an investment adviser, enabling it to operate federally and statewide without additional registrations.

US Objectives

- We expect our US business to grow rapidly. We aim to manage \$20-25bn in US Defined Contribution assets over the next decade, such that it becomes of equal importance to our growing UK business.
- PensionBee Group will capitalise PensionBee Inc. with an injection from the existing resources of its Group balance sheet (approximately \$4m over 36 months).
- PensionBee Inc. is targeting profitability in the medium-term.

Dividend

In line with our stated dividend policy, the Company does not intend to pay any dividends as we continue to execute our strategy and invest in growth in the UK and the US. Whilst the Company has not paid dividends since incorporation, it intends to revisit its dividend policy in future years and may revise its dividend policy from time to time.

Closing Remarks

Keeping the consumer firmly at the heart of what we do, we remain committed to serving their needs.

With more consumers consolidating their pensions than ever before, we will continue to capture market share in the vast UK pensions market, through our well established and trusted brand, continued product innovation and prioritisation of excellent customer service.

With nearly ten years' worth of experience building a scalable technology platform, developing marketing expertise and establishing a household brand, we are excited to have taken the transformative step of launching in the US. Inspired by the size and opportunity of the world's largest Defined Contribution pension market, we now look forward to helping millions of US consumers also enjoy a happy retirement.

As we continue on our journey, creating a global leader in the consumer retirement market and growing PensionBee for the success of all our stakeholders, I wish to pay special thanks to our dedicated team who continue to work tirelessly, and without whom none of this would be possible.

Romi Savova
Chief Executive Officer
28 August 2024

Notes:

1. Trustpilot score of 4.7★ out of 5 (based on 10,920 reviews) recorded 11 July 2024.
2. PensionBee prompted brand awareness tracker, April 2024. Prompted brand awareness measured through a consumer survey asking 'Which of the following have you heard of?' with respect to UK financial services brands: Aviva 82%, Scottish Widows 74%, Standard Life 68%, PensionBee 55%, Hargreaves Lansdown 40%, Nutmeg 37%, AJ Bell 33%, Interactive Investor 11%.
3. £1.2tr UK transferable pensions market is as of 2023 while the £722bn reference previously used was as of 2019; as such the increase is driven due to growth over that time period (c.10% CAGR consistent with c.12.5% CAGR in the period before that).
4. Investment Company Institute, 'Release: Quarterly Retirement Market Data' as at 13 December 2023. Includes the sum of DC Plans and IRAs.
5. Annual Run Rate ('ARR') Revenue is calculated using the recurring Revenue for the relevant month multiplied by 12.
6. Productivity, measured using Invested Customers per Staff Member metric, is calculated using an LTM average for the total workforce. Management information as at 30 June 2024.

Group Financial Review¹

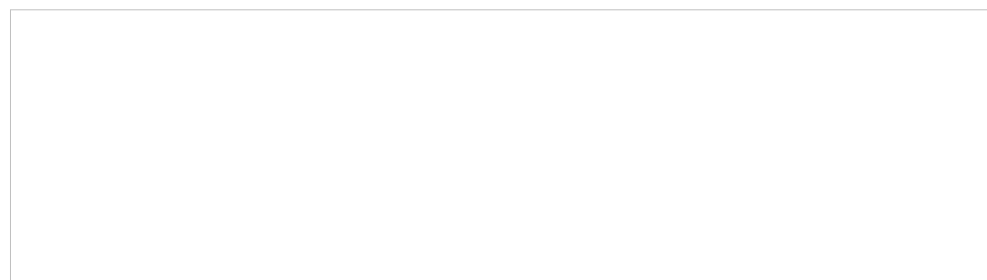
Trading performance in the first half of 2024 was strong, as we maintained our dual focus: optimising growth whilst steering towards profitability.

The delivery of strong growth over the first half of 2024 was underpinned by a combination of new customer acquisition, asset growth from existing customers and sustained global equity markets. Accordingly, Invested Customers ('ICs') grew by 19% to 252,000 (1H 2023: 211,000), Assets under Administration ('AUA') increased by 40% to £5.2bn (1H 2023: £3.7bn) and Revenue increased by 41% to £15.4m (1H 2023: £10.9m).

In addition to driving strong growth, a powerful combination of the inherent scalability of our technology platform, together with increasingly efficient marketing spend and an overarching focus on cost control, have enabled us to clearly demonstrate the operating leverage in our business model.

Over the first half of the year, Group Adjusted EBITDA narrowed to £(2.0)m (1H 2023: £(7.9)m) and the Group Adjusted EBITDA Margin narrowed to (13)% (1H 2023: (73)%). Having achieved positive Adjusted EBITDA in the UK business for Q2 2024, we remain firmly on track and committed to achieving the profitability on this same basis for this full year.

Similarly, Group Profit/(Loss) before Tax narrowed to £(3.8)m (1H 2023: £(9.2)m).



Driving Customer Acquisition through Efficient Investment in Brand Awareness

	As at Year End		
	Jun-2024	Jun-2023	YoY
Advertising and Marketing Expenses			
Advertising and Marketing Expenses (£m)	(5.8)	(6.8)	(14)%
Cost per Invested Customer (£)	242	247	<i>within threshold</i>
Customers			
Invested Customers (thousands)	252	211	19%

In the UK, we continued to grow our brand and acquire customers efficiently, investing £5.8m (1H 2023: £6.8m) in diversified marketing activities across the first half of the year, bringing the cumulative marketing investment since inception to £61m (H1 2023: £52m). We achieved a 3% year-over-year increase in Net Flows despite a 14% reduction in marketing expenditure, highlighting the efficiency and impact of our marketing investments.

Cost per Invested Customer also continued to demonstrate a downward trajectory (H1 2024: £242 vs. H1 2023: £247), highlighting the strength of the Company's marketing capability, the efficiency of spend, and the importance of household brand awareness in driving customer acquisition.

Strong Asset Growth driven by High Retention Rates and Effective Customer Acquisition

	As at Period End		
	Jun-2024	Jun-2023	YoY
Customer Retention Rate (% of IC)	96%	97%	Stable at >95%
AUA Retention Rate (% of AUA)	96%	97%	Stable at >95%
Opening AUA (£m)	4,350	3,025	44%
Gross Inflows (£m)	695	612	14%
Gross Outflows (£m)	(214)	(143)	49%
Net Flows (£m)	482	469	3%
Market Growth and Other (£m)	364	210	n/m
Closing AUA (£m)	5,196	3,704	40%
Net Flows (£m)	482	469	3%
Of which Net Flows from New Customers (£m)	355	365	(3)%
Of which Net Flows from Existing Customers (£m)	127	104	22%

During the first half of 2024, we achieved strong growth momentum. As at the end of June we recorded £5.2bn of AUA (1H 2023: £3.7bn), an increase of 40% year on year. £846m of AUA was generated over the first half of the year, surpassing last year's equivalent by £168m over the same period. The key growth drivers were Net Flows from New Customers, Net Flows from Existing Customers and Market Growth and Other.

Net Flows from New Customers represented the majority of AUA growth and accounted for £355m of Net Flows (1H 2023: £365m). This strong growth was achieved with a 14% reduction in marketing investment to £5.8m (1H 2023: £6.8m) during the first half of the year, underscoring the importance of household brand name status (with prompted brand awareness now standing at 55%)² and the strength of our data-led customer acquisition capabilities.

Net Flows from Existing Customers further drove AUA growth, reaching £127m in the first six months of the year (1H 2023: £104m), as customers continued to grow their pension savings with PensionBee through further consolidation and contributions. The increase reflected our tailored focus on a more mature demographic of customers (with a slightly larger average pension pot size).

Our commitment to continuous product development drives engagement with our customers, which was reflected in our Customer Retention Rate of 96% (1H 2023: 97%). This was consistent with historical performance levels, reflecting trends in general consumer behaviour around long-term saving products and importantly, underscoring our customers' continued satisfaction with our product innovation and their appreciation of our excellent customer service.

As is customary in the industry, pensions are invested in capital markets and therefore, the health of the markets are a driver of movements in AUA. As markets regained some stability after a challenging and volatile few years, we saw market growth account for £364m of the overall AUA growth in the first half of the year (1H 2023: £210m).

Resilient Revenue Margin drove Recurring Revenue

	For the 6-month Period Ending		
	Jun-2024	Jun-2023	YoY
Revenue Margin (% of AUA)	0.64%	0.65%	stable
Revenue (£m)	15.4	10.9	41%

We translated strong year-on-year AUA growth of 40% for 2024 (2023: 38%) into Revenue growth of 41%, reaching £15.4m for the first half of the year (1H 2023: £10.9m), by virtue of our resilient Revenue Margin (the annual management fee after discounts) of 0.64% (2023: 0.65%).

Since the vast majority of our Revenue is derived from annual management fees charged as a percentage of AUA, the high retention of Invested Customers and AUA makes the overwhelming majority of our Revenue recurring in nature. Revenue is also inclusive of revenue generated from other activities such as our partnership with intermediaries such as LifeSearch, as well as ad-hoc income, although this currently represents an immaterial portion of our overall Revenue.

Revenue for the first half of the year was generated solely by the UK, as the US business had not started trading for this period.

Efficient Investment in our Industry Leading Technology Platform, People and Product

	For the 6-month Period Ending		
	Jun-2024	Jun-2023	YoY
Money Manager Costs (£m)⁵	(2.0)	(1.6)	22%
Employee Benefits Expense (excluding Share-based Payment) (£m)	(5.7)	(6.1)	(6)%
Other Operating Expenses (£m)	(3.8)	(4.3)	(11)%
Technology Platform Costs and Other Operating	(9.6)	(10.3)	(8)%

Expenses (£m) ⁶			
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Money Manager Costs increased by 22% to £(2.0)m (1H 2023: £(1.6)m), but at a lower rate than the increase in Revenue growth of 41%, reflecting realised cost efficiencies.⁵

Employee Benefits Expense costs were reduced by 6% to £(5.7)m (1H 2023: £(6.1)m) through a strategic combination of workforce optimisation and the deployment of automation technologies across various operational areas. Headcount figures over the first half of 2024 remained relatively unchanged. Overall, our total workforce decreased to 195 as at 30 June 2024 from 209 at the end of June 2023.³

Other Operating Expenses decreased by 11% to £(3.8)m (1H 2023: £(4.3)m), through rigorous financial management and strategic resource allocation, achieving cost reductions while preserving operational effectiveness. We have continued to invest in enhancing our scalability with an emphasis on improving our internal automation to support productivity, including the streamlining of our provider processes. This is evidenced by an improvement in the Invested Customers per Staff Member metric from 1,026 in the first half of 2023 to 1,264 within the same period this year, representing a 23% increase in productivity (1H 2023: 12%).⁴

Profitability Metrics

	As at period End		
	Jun-2024	Jun-2023	YoY
Adjusted EBITDA (£m)⁷	(2.0)	(7.9)	75%
Adjusted EBITDA Margin (% of Revenue) ⁷	(13)%	(73)%	+60ppt ⁸
Profit/(Loss) before Tax (£m)	(3.8)	(9.2)	59%

Our primary profitability metric is Adjusted EBITDA, which captures Advertising and Marketing Expenses, but excludes Share-based Payments and Expansion Costs.⁷

As a result of strong Revenue growth, the effective deployment of our discretionary marketing budget and continued strict cost control, we were able to realise the benefits of operating leverage gained through the scalability of our technology platform. We delivered a 60 percentage point improvement in our Group Adjusted EBITDA Margin across the first half of this year to (13)% (1H 2023: (73)%), with Group Adjusted EBITDA at £(2.0)m for the period (1H 2023: £(7.9)m).^{7,8}

Having achieved positive Group Adjusted EBITDA for the second quarter of this year, we are well placed to achieve our full year 2024 UK Adjusted EBITDA profitability target.⁷

Profit/(Loss) before Tax narrowed to £(3.8)m for the first half of 2024 from £(9.2)m in 1H 2023, reflecting our progress towards profitability and again showcasing the operating leverage in our model whilst we continue to grow.

Other Costs

	For the 6-month Period Ending		
	Jun-2024	Jun-2023	YoY
Share-based Payment (£m)	(1.4)	(1.1)	26%
Expansion Costs (£m)	(0.2)	-	100%
Profit/(Loss) before Tax (£m)	(3.8)	(9.2)	59%
Taxation (£m)	0.1	0.1	n/m
Basic Earnings per Share	(1.64)p	(4.06)p	60%

Share-based Payment costs remained stable during the period £(1.4)m (1H 2023: £(1.1)m).

Expansion Costs relates to one-off expenses incurred in relation to expansion into the United States of America of £(0.2)m (1H 2023: £nil).

Taxation included enhanced tax credits in relation to routine Research and Development refunds of £0.1m (1H 2023: £0.1m). No deferred tax asset was recognised for the carried forward losses.

Basic Earnings per Share

Basic (and Diluted) Earnings per Share was (1.64)p for 1H 2024 (1H 2023: (4.06)p). This decreased in line with the change in Profit/(Loss) before Tax.

Christoph J. Martin
Chief Financial Officer
28 August 2024

Notes:

- See Definitions section.
- PensionBee prompted brand awareness tracker, April 2024. Prompted brand awareness measured through a consumer survey asking "Which of the following have you heard of?" with respect to UK financial services brands: Aviva 82%, Scottish Widows 74%, Standard Life 68%, PensionBee 55%, Hargreaves Lansdown 40%, Nutmeg 37%, AJ Bell 33%, Interactive Investor 11%.
- Total workforce of 195 as of 30 June 2024 includes 188 UK employees and 7 non-UK contracts, but excludes the four Non-Executive Directors. Total workforce of 209 as of 30 June 2023 includes 205 UK employees and 4 non-UK contracts, but excludes the four Non-Executive Directors.
- The Invested Customer per Staff metric is calculated by dividing the number of Invested Customers by the total workforce at the end of the period.

- the end of the period.
5. Money Manager Costs are variable costs paid to PensionBee's money managers.
 6. Technology Platform Costs & Other Operating Expenses comprises Employee Benefits Expense (excluding Share-based Payment) and Other Operating Expenses.
 7. PensionBee's Key Performance Indicators include alternative performance measures ('APMs'), in particular Adjusted Earnings Before Interest, Taxes, Depreciation, Amortisation, Share-based payments and Expansion Costs ('Adjusted EBITDA'). APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes APMs assist in providing additional insight into the underlying performance of PensionBee and aid comparability of information between reporting periods. A reconciliation to the nearest IFRS number is provided in the Notes to the Condensed Consolidated Financial Statements 'Alternative Performance Measures'.
 8. ppt is the absolute change in percentage points.

Responsibility Statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements, prepared in accordance with IAS 34 'Interim Financial Reporting', give a true and fair view of the assets, liabilities, financial position and profit or loss of the group and the undertakings included in the consolidation taken as a whole as required by DTR 4.2.4R.
- The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year).
- The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board.

Romi Savova
Chief Executive Officer
28 August 2024

Independent Review Report to PensionBee Group plc

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the condensed consolidated statement of comprehensive income, statement of financial position, the statement of changes in equity, the statement of cash flows and related notes 1 to 16.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our Report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
4 Brindleyplace
Birmingham
B1 2HZ
28 August 2024

Condensed Consolidated Statement of Comprehensive Income

For the Period from 1 January 2024 to 30 June 2024

		Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023
	Note	£ 000	£ 000
Revenue	5	15,367	10,868
Employee Benefits Expense (excluding Share-based Payment)		(5,749)	(6,090)
Share-based Payment		(1,431)	(1,133)
Depreciation Expense		(142)	(143)
Advertising and Marketing		(5,848)	(6,818)
Other Expenses		(5,781)	(5,875)
Expansion Costs		(172)	-
Operating Profit/(Loss)		(3,756)	(9,191)
Finance Income		18	-
Finance Costs		(14)	(19)
Profit/(Loss) before Tax		(3,752)	(9,210)
Taxation	7	77	137
Profit/(Loss) for the Period		(3,675)	(9,073)
Total Comprehensive Profit/(Loss) for the Period wholly attributable to Equity Holders of the Company		(3,675)	(9,073)
Earnings per Share (pence per Share)			
Basic and Diluted		(1.64)	(4.06)

The above results were derived from continuing operations.

Notes 1 to 16 form an integral part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Financial Position

As at 30 June 2024

		Unaudited 30 June 2024	Audited 31 December 2023
	Note	£ 000	£ 000
Assets			
Non-current Assets			
Property, Plant and Equipment		279	305
Right of Use Assets		341	412
Financial Assets (Deposit)		137	147
Intangible Assets		183	-
		940	864
Current Assets			
Trade and Other Receivables	9	5,096	4,347
Cash and Cash Equivalents		10,913	12,214
		16,009	16,561

Condensed Consolidated Statement of Financial Position

Total Assets		16,949	17,425
As at 30 June 2024			
Equity and Liabilities		Unaudited 30 June 2024	Audited 31 December 2023
Equity	Note	£ 000	£ 000
Share Capital	10	225	224
Share Premium		53,218	53,218
Share-based Payment Reserve		13,828	12,397
Retained Earnings		(54,369)	(50,694)
Right of Use Assets		12,902	15,448
Financial Assets (Deposit)		137	147
Intangible Assets		183	-
Lease Liability		940	864
Provisions		51	49
Current Assets		262	341
Trade and Other Receivables	9	5,096	4,347
Lease Liability		105	106
Cash and Cash Equivalents		10,913	12,214
Trade and Other Payables	11	3,680	1,833
		16,009	16,561
		3,785	1,939
Total Liabilities		4,047	2,280
Total Equity and Liabilities		16,949	17,425

Notes 1 to 16 form an integral part of these Condensed Consolidated Financial Statements.

Approved by the Board on 28 August 2024 and signed on its behalf by:

Christoph J. Martin
Chief Financial Officer

Condensed Consolidated Statement of Changes in Equity

For the Period from 1 January 2024 to 30 June 2024

	Share Capital	Share Premium	Share-based Payment Reserve	Retained Earnings	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2023	223	53,218	10,215	(40,124)	23,532
Profit/(Loss) for the Period	-	-	-	(9,073)	(9,073)
Total Comprehensive Profit/(Loss)	-	-	-	(9,073)	(9,073)
Share-based Payment Transactions	-	-	1,133	-	1,133
At 30 June 2023 (unaudited)	223	53,218	11,348	(49,197)	15,592
At 1 January 2024	224	53,218	12,397	(50,694)	15,145
Profit/(Loss) for the Period	-	-	-	(3,675)	(3,675)
Total Comprehensive Profit/(Loss)	-	-	-	(3,675)	(3,675)
Share-based Payment Transactions	-	-	1,431	-	1,431
Exercise of Share Options	1	-	-	-	1
At 30 June 2024 (unaudited)	225	53,218	13,828	(54,369)	12,902

Notes 1 to 16 form an integral part of these Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Cash Flows

For the Period from 1 January 2024 to 30 June 2024

	Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023
Note	£ 000	£ 000
Cash Flows used in Operating Activities		
Profit/(Loss) for the Period	(3,675)	(9,073)
Adjustments to Cash Flows from Non-Cash		

Items			
Depreciation		142	143
Finance Costs		14	19
Share-based Payment Transactions		1,431	1,133
Taxation	7	(77)	(137)
Operating Cash Flow before movements in Working Capital		(2,165)	(7,915)
Working Capital Adjustments			
Increase in Trade and Other Receivables	9	(661)	(1,485)
Increase in Trade and Other Payables	11	1,846	2,008
Cash used in Operations		(980)	(7,392)
Taxes Received		-	348
Net Cash Flow Used in Operating Activities		(980)	(7,044)
Cash Flows used in Investing Activities			
Acquisition of Equipment		(45)	(23)
Acquisition and Development of Intangible Asset		(183)	-
Net Cash Flow used in Investing Activities		(228)	(23)
Cash Flows used in Financing Activities			
Payment of Principal and Interest of Lease Liabilities		(93)	(93)
Net Cash Flows used in Financing Activities		(93)	(93)
Net Decrease in Cash and Cash Equivalents		(1,301)	(7,160)
Cash and Cash Equivalents at 1 January		12,214	21,321
Cash and Cash Equivalents at 30 June		10,913	14,161

Notes 1 to 16 form an integral part of these Condensed Consolidated Financial Statements.

Notes to the Condensed Consolidated Financial Statements

For the Period from 1 January 2024 to 30 June 2024

1. Corporate Information

The Condensed Consolidated Financial Statements of PensionBee Group plc (the 'Company') and its subsidiaries (together the 'Group') for the six months ended 30 June 2024 were authorised for issue in accordance with a resolution of the Directors on 28 August 2024.

PensionBee Group plc is a public limited company, whose shares are listed on the London Stock Exchange ('LSE'), incorporated and domiciled in England and Wales.

The address of its registered office is:
209 Blackfriars Road
London
SE1 8NL
United Kingdom

Principal Activity

The principal activity of the Group is that of a direct-to-consumer online pension provider. The Group seeks to make its customers 'Pension Confident' by giving them complete control and clarity over their retirement savings. The Group helps its customers to combine their pensions into one new online plan where they can contribute, forecast outcomes, invest effectively, and withdraw their pensions, all from the palm of their hand.

2. Accounting Policies

Basis of Preparation

The Annual Financial Statements of PensionBee Group plc will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34 'Interim Financial Reporting'. The Group has prepared the Condensed Consolidated Financial Statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report.

The Condensed Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with PensionBee Group's Annual Report and Financial Statements 2023.

Summary of Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These

policies have been consistently applied to all the years presented and the interim period policies consistently comply with International Accounting Standard 34 'Interim Financial Reporting', unless otherwise stated.

Audit Requirements

The financial information for the six months ended 30 June 2024 has not been audited by Deloitte LLP and accordingly no opinion has been given. The comparative financial information for the year ended 31 December 2023 has been extracted from the Annual Report and Financial Statements 2023. The financial information contained in this Interim Report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006 and does not reflect all of the information contained in PensionBee Group plc's Annual Report and Financial Statements 2023. The Annual Financial Statements for the year ended 31 December 2023, which were approved by the Board of Directors on 13 March 2024, received an unqualified audit report, did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 and have been filed with the Registrar of Companies.

Changes in Accounting Policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2024 have had a material effect on the Condensed Consolidated Financial Statements.

Foreign Currency Translation

Functional and presentation currency

The Condensed Consolidated Financial Statements are presented in the Company's functional currency Sterling.

Foreign currency transactions and balances

The Group applies IAS 21, The Effects of Changes in Foreign Exchange Rates. Transactions in foreign currencies are translated into Sterling at the exchange rate on the date of the transaction. Foreign currency monetary balances are translated into Sterling at the period end exchange rates. Exchange gains and losses on such balances are taken to the Condensed Consolidated Statement of Comprehensive Income and recognised in the currency translation reserve in equity. Non-monetary foreign currency balances are translated at historical transaction-date exchange rates.

Foreign operations

For the purpose of presenting the Condensed Consolidated Financial Statements, the results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and

All resulting exchange differences are recognised in the statement of comprehensive income and accumulated in a foreign currency translation reserve.

3. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Group does not have any critical accounting judgements or key estimation uncertainties.

4. Business Combinations

On 21 March 2024, PensionBee Group plc incorporated a new wholly owned subsidiary PensionBee Inc. in Delaware, USA with operational headquarters in New York. The incorporation of this subsidiary is part of the Group's strategic initiative to expand its operations in the North American market.

5. Revenue

The analysis of the Group's Revenue for the period from continuing operations is as follows:

	Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023
	£ 000	£ 000
Recurring Revenue	15,227	10,825
Other Revenue	140	43
	15,367	10,868

All Revenue generated was derived from operations within the United Kingdom.

6. Segment Information

Operating segments and reporting segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The Group considers that the role of CODM is performed by the Board of Directors. The CODM regularly reviews the Group's operating results to assess performance and to allocate resources. All earnings, balance sheet and cash flow information received and reviewed by the Board of Directors is prepared at a company level. The CODM considers that it has a single business unit comprising the provision of

prepared at a company level. The CODM considers that it has a single business unit comprising the provision of direct-to-consumer online pension consolidation. The Group operates in two geographical locations; the United Kingdom and the United States of America, therefore, the CODM recognises two operating and reporting segments. For the six months to 30 June 2024, all the Revenue is attributable to the United Kingdom segment. £3,493,000 of Losses before Tax is attributable to the United Kingdom and £182,000 is attributable to the United States of America. Net Assets of £12,926,000 are attributable to the United Kingdom segment and £24,000 to the United States of America segment. The United States of America segment was immaterial for the period ended 30 June 2024 therefore, comprehensive segmental reporting has not been provided. As this segment becomes operational, comprehensive segmental reporting will be disclosed.

7. Tax

Tax credited in the Condensed Consolidated Statement of Comprehensive Income:

	Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023
	£ 000	£ 000
Current Taxation		
UK Corporation Tax	77	137
Tax Credit in the Condensed Consolidated Statement of Comprehensive Income	77	137

The Tax Credit in the Condensed Consolidated Statement of Comprehensive Income relates solely to enhanced tax credits in relation to Research and Development.

8. Earnings per Share

Basic Earnings per Share is calculated by dividing the loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

Diluted Earnings per Share is calculated by dividing the Loss Attributable to Ordinary Equity Holders of the Company by the Weighted Average Number of ordinary shares in issue during the period. The weighted average number of ordinary shares in issue during the period has not been adjusted for the effect of the weighted average number of shares that would be issued on the conversion of all the potential ordinary shares under option and conditional share awards because the potential ordinary shares are anti-dilutive. At each balance sheet date reported below, the following potential ordinary shares under option and conditional share awards are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of Diluted Earnings per Share.

	Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023
Number of Potential Ordinary Shares	10,132,964	6,778,659
Loss Attributable to Ordinary Equity Holders of the Company (£)	(3,675,000)	(9,073,000)
Weighted Average Number of Shares Outstanding during the Period	224,100,045	223,203,539
Basic and Diluted Earnings/(Loss) per Share (pence per Share)	(1.64)	(4.06)

9. Trade and Other Receivables

	Unaudited six months to 30 June 2024	Audited 31 December 2023
	£ 000	£ 000
Trade Receivables	2,579	1,859
Prepayments	2,202	2,167
Other Receivables	315	536
	5,096	4,562

10. Share Capital

Allotted, Called Up and Fully Paid Shares

	Unaudited 30 June 2024		Audited 31 December 2023	
	No. 000	£ 000	No. 000	£ 000
Ordinary of £0.001 each	224,772	225	223,963	224
	224,772	225	223,963	224

11. Trade and Other Payables

	Unaudited six months to 30 June 2024	Audited 31 December 2023
	£ 000	£ 000
Trade Payables	474	269
Accrued Expenses	2,752	1,496
Other Payables	454	68
	3,680	1,833

12. Financial Assets and Financial Liabilities

The carrying value of the financial assets and liabilities are not materially different from their fair value.

13. Share-based Payment

PensionBee EMI and Non-EMI Share Option Scheme

Scheme Details and Movements

Under the PensionBee EMI and Non-EMI Share Option Scheme, share options were granted to eligible employees who had passed their probation period at the Group. The exercise price of all share options is £0.001 per share.

The share options normally vest in the following tranches: 25% of the shares vest on the first anniversary of the vesting commencement date, with the remaining 75% of the shares vesting quarterly in equal instalments over the following three years.

The fair value of the share options granted is estimated on the date of grant by reference to the prevailing share price. Before the Company was listed in 2021, the fair value was determined by reference to the price paid by external investors as part of periodic funding rounds.

Under this scheme, no share options were granted during the six months ended 30 June 2024 (30 June 2023: nil).

Total number of share options exercised during the six months ended 30 June 2024 was 552,420 (30 June 2023: 803,368) and the weighted average remaining contractual life is three months (30 June 2023: one year).

Deferred Share Bonus Awards

Scheme Details and Movements

Under the PensionBee Omnibus Plan, Deferred Share Bonus Awards ('DSB Awards') are granted to eligible employees who are, or were, an employee (including an Executive Director) of the Group and have been granted a bonus. DSB Awards are granted in the subsequent financial year following the determination of the annual bonus outturn. The exercise price of all DSB Awards is £0.001 per share.

For the two Executive Directors that were in office as at 31 December 2021, their 2022 granted DSB Awards cliff vest on the third anniversary of the date of grant. For the rest of the employees and the subsequent grants, DSB Awards vest in three equal tranches over a service period of three years from grant date. DSB Awards vest upon satisfying the service condition.

The fair value of the DSB Awards is the share price on grant date. DSB Awards granted by way of share option can be exercised to the extent they have vested. DSB Awards granted by way of conditional share awards will automatically be released upon vesting.

1,582,724 DSB Awards were granted during the six months ended 30 June 2024 (30 June 2023: 626,223). The weighted average fair value of DSB Awards granted during the six months ended 30 June 2024 was £0.97 (30 June 2023: £0.98).

Total number of DSB Awards exercised during the six months ended 30 June 2024 was 334,206 (30 June 2023: 186,806) and the weighted average remaining contractual life is ten months (30 June 2023: one year and five months).

Long Term Incentives

Scheme Details and Movements

Under the PensionBee Omnibus Plan, Long Term Incentives in the form of Restricted Share Plan Awards ('RSP Awards') are granted to eligible employees who are, or were, employees (including an Executive Director) of the Group, at mid-level management or higher, and have been granted a bonus. RSP Awards are granted in the subsequent year following a bonus grant. The exercise price of all RSP Awards is £0.001 per share.

The RSP Awards vest in tranches, a third of the RSP Awards vest on the third anniversary, a third on the fourth anniversary and the last third on the fifth anniversary of the vesting commencement date.

The fair value of the RSP Awards is the share price on grant date discounted for restricted selling period. RSP Awards can be exercised to the extent they have vested and after a five year holding period. RSP Awards granted by way of conditional share awards will be released after the five year holding period.

2,803,728 RSP Awards were granted during the six months ended 30 June 2024 (30 June 2023: 2,791,756). The weighted average fair value of RSP Awards granted during the six months ended 30 June 2024 was £0.93 (30 June 2023: £0.94).

Total number of RSP Awards exercised during the six months ended 30 June 2024 was nil (30 June 2023: nil) and the weighted average remaining contractual life is two years and five months (30 June 2023: three years and five months).

Charge/Credit arising from Share-based Payment

The total charge during the six months ended 30 June 2024 for the Share-based Payment was £1,431,000 (30 June 2023: £1,133,000), all of which related to equity-settled share-based payment transactions.

14. Principal Risks and Uncertainties

The Board continually reviews the principal risks and uncertainties facing the Group that could pose a threat to the delivery of the strategic objectives. The Board believes that the nature of the principal risks and uncertainties that may have a material effect on the Group's performance over the remainder of the financial year remain unchanged from those presented within the Annual Report and Financial Statements 2023.

15. Related Party Transactions

Related Party - PensionBee Trustees Limited

The following related party transactions occurred between PensionBee and PensionBee Trustees Limited:

- (i) Payment of the PensionBee Trustees Limited bank fees on a quarterly basis. During the six months to 30 June 2024 bank fees amounted to £109,000 (30 June 2023: £73,500). There was no outstanding balance as at 30 June 2024 / 30 June 2023: £nil

- (ii) Payment of the PensionBee Trustees Limited's Data Protection fee on an annual basis. During the six months to 30 June 2024 payments amounted to £35 (30 June 2023: £35). There was no outstanding balance as at 30 June 2024 (30 June 2023: £nil).

Transactions with Directors

There were no transactions with Directors during the six months ended 30 June 2024 (30 June 2023: £nil).

16. Events After the Reporting Period

There were no events of material impact to the financial statements that occurred after the reporting date.

17. Alternative Performance Measures

The Group uses a variety of alternative performance measures ('APMs') which are not defined or specified by IFRS, in particular Adjusted Earnings Before Interest, Taxes, Depreciation and Amortisation ('EBITDA'). The Directors use a combination of APMs and IFRS measures when reviewing the performance and position of the Group and believe that each of these measures provides useful information with respect to the Group's business and operations. The Directors consider that these APMs illustrate the underlying performance of the business by excluding items considered by management not to be reflective of the underlying trading operations of the Group.

The APMs used by the Group are defined below and reconciled to the related IFRS financial measures:

Adjusted EBITDA

Adjusted EBITDA represents loss for the period before Taxation, Finance Costs, Depreciation, Amortisation, Share-based Payment and Expansion Costs.

	Unaudited six months to 30 June 2024 £ 000	Unaudited six months to 30 June 2023 £ 000
Operating Loss	(3,756)	(9,191)
Depreciation	142	143
Share-based Payment ¹	1,431	1,133
Expansion Costs ²	172	-
Adjusted EBITDA	(2,010)	(7,916)

Notes:

1. Relates to the total annual charge in relation to the Share-based Payment expense as detailed in Note 13 to the Condensed Consolidated Financial Statements.
2. Relates to one-off expenses incurred in relation to expansion into the United States of America.

Definitions

Group Financial Performance Measures

Revenue	Revenue means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AJA, together with a minor revenue contribution from other services.
Adjusted EBITDA*	Adjusted EBITDA is the Operating Profit or Loss Before Taxation, Finance costs, Depreciation, Amortisation, Share-based payments and Expansion Costs. This measure is a proxy for operating cash flow.
Adjusted EBITDA Margin*	Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of Revenue for the relevant period.
Profit/(Loss) before Tax ('PBT')	Profit/(Loss) before Tax is a measure that looks at PensionBee's profit or losses before it has paid corporate income tax.
Basic Earnings per Share ('EPS')	Basic Earnings per Share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

* PensionBee's Key Performance Indicators include alternative performance measures ('APMs'), in particular Adjusted Earnings Before Interest, Taxes, Depreciation, Amortisation, Share-based payments and Expansion Costs. ('Adjusted EBITDA'). APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes APMs assist in providing additional insight into the underlying performance of PensionBee and aid comparability of information between reporting periods. A reconciliation to the nearest IFRS number is provided in the Notes to the Condensed Consolidated Financial Statements 'Alternative Performance Measures'.

Group Non-Financial Performance Measures

Assets under Administration ('AJA')	Assets under Administration is the total invested value of pension assets within PensionBee's Invested Customers' pensions. It measures the new inflows less the outflows and records a change in the market value of the assets. This KPI has been selected because AJA is a measurement of the growth of the business and is the primary driver of Revenue.
AJA Retention Rate (% of AJA)	AJA Retention measures the percentage of retained PensionBee AJA from transfers out over the average of the trailing twelve months. High AJA retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.

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Net Flows	Net Flows measures the cumulative inflow of PensionBee AJA from consolidation and contribution ('Gross Inflows'), less the outflows from withdrawals and transfers out ('Gross Outflows') over the relevant period.
Invested Customers ('IC')	Invested Customers means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.
Customer Retention Rate (% of IC)	Customer Retention Rate measures the percentage of retained PensionBee Invested Customers over the average of the trailing twelve months. High customer retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.
Cost per Invested Customer ('CPIC')	Cost per Invested Customer means the cumulative advertising and marketing costs incurred since PensionBee commenced operations up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time. This measure monitors cost discipline of customer acquisition. PensionBee's desired CPIC threshold is £200-£250.
Revenue Margin (% of AJA)	Revenue Margin expresses the Recurring Revenue over the average quarterly AJA held in PensionBee's investment plans over the period.

Company Information

PensionBee Executive Directors

Romi Savova (Chief Executive Officer)
Jonathan Lister Parsons (Chief Technology Officer)
Christoph J. Martin (Chief Financial Officer)

PensionBee Non-Executive Directors

Mark Wood CBE (Non-Executive Chair)
Mary Francis CBE (Senior Independent Non-Executive Director)
Michelle Cracknell CBE (Independent Non-Executive Director)
Lara Oyesanya FRSA (Independent Non-Executive Director)

Company Secretary

Michael Tavener

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