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CAB Payments Holdings PLC
04 September 2024

4 September 2024

CAB Payments Holdings plc and its subsidiaries
("CAB Payments", the "Group" or the "Company")

Interim results for the six months ended 30 June 2024

Resilient business model, focus now on strategic execution

CAB Payments, a specialist in business-to-business cross-border payments and foreign exchange in hard-to-reach markets, announces its interim results for the six months ended 30 June 2024 and updated strategy.

Neeraj Kapur, Group CEO of CAB Payments commented:

"Our H1 results were resilient despite the exceptional prior year as set out in our trading update in July. Our outlook remains unchanged from our previous update and there was encouraging trading at the beginning of H2. We expect our Gross Income to be marginally below last year whilst we exhibit good growth across a broader range of currency corridors. I am particularly pleased with our recently announced strategic partnership with Visa which will significantly increase our payment reach and give us a more scalable solution to deliver a higher volume of payments.

"Importantly, we continued to deliver on our purpose, unlocking the prosperity of the global communities we serve by moving money when and where it's needed. Over the last twelve months we delivered approximately £3 billion of development aid and £8.5 billion of liquidity into low and middle-income countries.

"Today I am delighted to announce an updated, more execution focused strategy for the Group which builds upon its existing solid foundations and business model. We have already attracted some new world class talent from within the industry to help drive the business forward and who share our vision for the next phase of growth. We will be focusing on four areas: our network, our clients, our platform while continuing to invest and innovate. We will deliver a more diversified, sustainably growing business with strong operating leverage.

"I look forward to updating you on our strategic progress as we continue to execute our strategy over the medium term."

A renewed focus on strategic execution:

- Delivering a diversified business with sustainable growth, through four key pillars:

  1. Network - Strengthen the breadth and depth of our network

  2. Clients - Deepen existing relationships, expand client base

  3. Platform - Leverage the banking licence to accelerate FX and payment volume growth

  4. Invest & innovate - Disciplined capital allocation to drive growth via technology and balance sheet management

- Updated strategy driven by new senior leadership hires including Global Head of Sales, Head of Network, Head of Payments, Head of European Business Development and Chief Operating Officer, all with significant experience and track-record within the industry

H1 2024 financial highlights:

- Resilient performance given elevated prior year performance, a lack of equivalent tailwinds in the current year and lower flows from International Developmental Organisations
- Total Volume levels up 4% to £17.6 billion (H1 2023: £17.0 billion) - market-wide payment flows are down approximately 5% year-on-year in the Group's core Sub-Saharan Africa market and approximately 10% globally, based on the Company's analysis of market data
- Gross Income down 22% to £55.7 million (H1 2023: £71.8 million)
    - Normalised performance - excluding the impact of previously identified dislocations in Nigerian Naira (NGN) and Central Bank interventions in Central African Franc (XAF) and West African Franc (XOF) - shows 11% growth in Gross Income and 12% growth in Transactional Income
- Adjusted EBITDA of £18.7 million (H1 2023: £40.0 million) and Adjusted EBITDA margin of 34% (H1 2023: 56%) resulting from lower revenue and higher operating expenses (excluding D&A and strategic restructuring costs) which increased by approximately £5.5 million
- Adjusted PAT of £11.0 million (H1 2023: £28.8 million) and Adjusted EPS of 4.3 pence (H1 2023: 11.3 pence)
- Core Capital Expenditure as a proportion of Total Gross Income increased to 12% (H1 2022: 3%) as the business continued to invest for growth
- Operating free cash flow of £9.4 million (H1 2023: £37.6 million) due to lower EBITDA performance compounded by higher Capital Expenditure in the period
- Outlook:
    - Outlook unchanged from previous update in July: full-year Gross Income expected to be marginally below prior year with increased operating leverage in the second half, encouraging performance in July and August
    - Expect to incur approximately £15 million of Core Capital Expenditure for 2024

Operating and commercial highlights:

- New collaboration with Visa to integrate CAB's offering with Visa Direct giving the capability to deliver lower-value, higher volume payments in a cost-effective manner, providing reach to more than 8.5bn end-points across more than 190 countries
- Authorisation from the relevant authorities to open a representative office in the USA remains on-track to occur in the second half
- Successfully secured a payment service provider licence with De Nederlandsche Bank N.V. (DNB) allowing CAB to provide services across the European Economic Area
- 35 new clients onboarded and 526 active clients in total

Board change:

- Mario Shiliashki, independent non-executive director of the Group, has resigned from the board to focus on his new role as Chief Executive Officer of myPOS, a London-based payment technology business. A recruitment process is underway to find a suitable replacement with the valuable experience and capabilities that Mario brought to the Group

Analyst and Institutional Investor Webcast:

A presentation webcast and live Q&A conference call for analysts and institutional investors will take place on 4th September 2024 at 9.30 am UK time, a copy of the presentation will be made available on the Company's website at https://www.cabpayments.com/investors.

The presentation will be hosted by Neeraj Kapur, Group CEO and Richard Hallett, Group CFO

To register for the webcast, please go to:
https://secure.emincote.com/client/cab/2024interims

To register for the conference call, please go to:
https://secure.emincote.com/client/cab/2024interims/vip_connect

Retail Investor Webcast:

CAB Payments will also host a presentation for retail shareholders and prospective shareholders. This will be hosted via Investor Meet Company on 4th September 2024 at 2.00pm UK Time.

Questions can be submitted via the platform any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet CAB Payments Holdings plc via:
https://www.investormeetcompany.com/cab-payments-holdings-plc/register-investor

Investors who already follow CAB Payments Holdings plc on the Investor Meet Company platform will automatically be invited.

Selected Financial information and KPIs for Continued Operations:

Total income by product Type (£m)	**Six months ended 30 June**		**YoY**	**YoY Normalised(1)**
	2024	**2023**	**%**	**%**
Wholesale FX	22.9	37.8	(39)	24
Payments	14.1	16.8	(16)	0
of which				
Payments FX	7.0	10.4	(33)	(14)
Other Payments	7.1	6.4	11	12
Total transactional income	**37.0**	**54.6**	**(32)**	**12**
NII from Cash Management	16.2	15.8	2	2
Other banking services	2.5	1.4	87	87
Total Gross Income	**55.7**	**71.8**	**(22)**	**11**
Memo:				
Wholesale FX & Payments FX Income	29.8	48.2	(38)	14

Note:

(1) Excludes the Gross Income effect of the NGN, XAF and XOF Corridors

Selected Financial Information (£m) - Reported	**Six months ended 30 June**		**YoY**
	2024	**2023**	**%**

Profit before tax	13.7	23.8	(43)
Profit after tax	**10.2**	**14.8**	(31)
Earnings per share (pence)	4.0	6.1	(34)

Selected Financial Information (£m) - Adjusted	**Six months ended 30 June**		**YoY**
	2024	**2023**	**%**
Adjusted EBITDA	**18.7**	**40.0**	(53)
Adjusted EBITDA Margin (%)	33.5%	55.7%	
Depreciation & Amortisation	3.8	3.0	25
Adjusted Profit Before Tax	**14.7**	**36.9**	(60)
Adjusted Profit After Tax	**11.0**	**28.8**	(62)
Adjusted Earnings per Share (pence)	**4.3**	**11.3**	(62)

Volumes & Take Rates - Wholesale FX and Payment FX	**Volume (£bn)**		**Take Rate (%)**	
	H1 2024	**H1 2023**	**H1 2024**	**H1 2023**
Emerging Markets	6.8	7.0	0.33%	0.61%
Developed Markets	10.8	10.0	0.07%	0.06%
Total	**17.6**	**17.0**	**0.17%**	**0.28%**
Memo:				
Emerging Markets (ex NGN, XAF, XOF)	4.4	4.0	0.33%	0.34%

Other key KPIs	**Six months ended 30 June**		**YoY**
	2024	**2023**	**%**
Capital & Investment			
Core Capex (£m)	6.8	2.0	238
Capital intensity (% of Total Gross Income)	12%	3%	
Operating Free Cash Flow (£m)	9.4	37.6	(75)
Operating FCF Conversion (%)	50%	94%	
Total Capital (£m)	113.4	93.0	22
Available Capital for growth (£m)	24.9	38.7	(36)
CET1 Ratio (%)	22.5%	29.9%	
Income			
Wholesale FX & Payments FX	29.8	48.2	(38)
Wholesale FX & Payments FX (ex NGN, XAF, XOF) (£m)	22.0	19.4	14
Income by client type			
EMFI (£m)	29.4	29.4	(0)
IDO (£m)	8.3	17.7	(53)
Major Market Banks (£m)	1.0	3.1	(66)
NBFI and Fintech (£m)	17.0	21.6	(21)

About CAB Payments:

CAB Payments Holdings PLC is the holding company for Crown Agents Bank (CAB), a UK-regulated FX and payments service provider, specialising in global FX and cross-border payments for hard-to-reach markets.

Unlike traditional banks, CAB's unrivalled network, technology, and expertise means it can move money in the most complex situations, to the most challenging markets, for organisations that expect the most.

Trusted by Blue Chip organisations across the globe, CAB connects its clients to underserved geographies rapidly, consistently, and equitably so money can move efficiently to where it is needed. Offering a single API for all FX and cross-border payments, covering 140+ markets and currencies across 700+ currency pairs. Its extensive global network of partners allows CAB to offer competitive prices and fast, reliable settlement.

CAB is one of the first banks to achieve B Corporation™ status. The bank was awarded the Gold Sustainability Rating by EcoVadis in 2022 & 2023 - ranked within the top 94% of 94,000 companies assessed across 160 countries and over 200+ industries.

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Chief Executive Officer's Review

This is my first set of results since being confirmed as Group CEO of Crown Agents Bank ("CAB") and its listed holding company, CAB Payments Holdings plc ("CAB Payments" or "the Group"). Since joining the business, I have spent time meeting our people, getting to know our increasingly diversified client base, and forming my first impressions of the operations and business model. I've found that CAB Payments is an exciting group with a differentiated business model and a highly-rated and valued purpose and proposition: through our network, sustainably unlocking the prosperity of the global communities we serve by moving money when and where it's needed.

The Group has a structural part to play in ensuring liquidity is consistently and reliably being delivered to emerging markets, improving financial infrastructure and stimulating economic development. The statistics tell this story: Over the last twelve months, our network moved approximately £3.0 billion of development aid flows (H1 2024: £1.4 billion) and £8.5 billion of flows into low and lower-middle income countries (H1 2024: £4.3 billion), all of which are critical to promoting social stability and economic growth in the core geographies in which we operate. We are proud that CAB is one of the few UK-regulated banks to achieve Certified B Corporation status. This certification recognises our commitment to advancing sustainability across all aspects of our operations, with a particular focus on environmental impact, climate change, and responsible business practices. It reflects our ongoing efforts to improve and align with the highest standards of ethical conduct.

My aim is to make sure the Group takes advantage of the significant growth opportunities available to it through careful and judicious investment in our business, delivering on our purpose and driving value for all of our stakeholders.

Below, I outline four strategic pillars that will drive the Group's future growth, at the heart of which is creating an increasingly diversified - and therefore sustainable - revenue mix. We have already begun work on some of these, having identified levers we can pull to improve operational performance in the second half of this financial year.

H1 2024 performance summary

Whilst my position as Group CEO was only confirmed in June 2024, the Group has delivered a solid set of results for this half year. This performance should be viewed against the backdrop of a particularly strong first half of the prior year, which included material elevated income from trading in the Nigerian Naira (NGN), as previously disclosed.

In October 2023, the Group also disclosed that the business had experienced a compression in revenues in the second half due to central bank interventions in some of our core markets in particular the Central African Franc (XAF) and West African Franc (XOF). Therefore, we believe that 2024 is the first year since 2020 where the Group does not expect to benefit from any significant corridor-related tailwinds and this is evident in the first half performance.

It is also important to note that we believe there to have been an approximate 10% year-on-year drop in global cross-border flows and an approximate 5% drop in flows into Africa when comparing H1 2024 to H1 2023. We see this market contraction as short-term owing to a variety of factors, not least a strong dollar and global political volatility. However, we believe the underlying structural demand for FX flows and payments will continue to grow over the long-term in the markets in which we operate while also continuing to grow our market share as we did in the period.

There were a couple of industry-wide incidents in July, namely the global payments issue that affected the Bank of England's CHAPS service and the CrowdStrike update that caused widespread problems with Microsoft Windows. Both events had minimal impact on the Group, our ability to continue trading and most importantly our clients. We detected the CrowdStrike incident early via our observability technology and managed it through our established incident management process working closely with internal teams and affected vendors. Whilst the impacts were minimal in line with our established practises, we are assessing our response procedures to incorporate any internal and external lessons learned from the global outage.

Wholesale FX and Payments FX - good underlying growth and improving corridor diversity

Excluding the effects of NGN, XAF and XOF, our Wholesale FX and Payments FX revenue grew 14%, which is pleasing as the business leverages its well-established network to facilitate best execution for our clients to become a provider of choice. Our top 5 currency corridors accounted for just 32% of Gross Income in H1 2024 versus 49% in H1 2023. A key priority is to reduce the Group's level of currency concentration going forward, as we build and grow a more diversified business fit to deliver growth through the market cycle and navigate changes across the markets in which we operate.

On a reported basis, Gross Income from the core Wholesale FX and Payments FX business declined year on year by 38% from £48.2 million in H1 2023 to £29.8 million in H1 2024. Total volumes were up 4% versus the same period last year despite decreased activity from the three identified corridors which have persisted into 2024 and the broader decline in the payments market. Take rates declined from a blended 28 bps in H1 2023 to 17 bps in H1 2024 as a result of the unusually high Nigerian Naira take rates in the prior year period. This was as expected, as flagged in the Group's IPO materials.

Further, International Development Organisations ("IDOs"), who traditionally tend to transact more in the second half of the financial year, also demonstrated below trend volumes in the first half owing to changes in the political landscape among major donor governments (principally the US and Europe), that have seen aid budgets cut and those funds diverted to support domestic policies.

In the period, we continued to expand our client base through onboarding 35 new clients (H1 2023: 41) while strengthening our network, increasing the number of partners to 237 (H1 2023: 205) and liquidity providers to 121 (H1 2023: 112). This speaks to the strength of the Group's proposition and its ability to deliver for diverse client needs. In the first half we have improved the client onboarding process, resulting in a shorter time frame between signing a client and a ramp up in their revenue-generating activity. Looking ahead, there is more to do to optimise the way our sales and network teams operate.

Banking income remains robust

During 2023, the Group earned strong net interest income on its balance sheet due to higher swap curves and an increased spread, as a result of the lower rates paid on deposit liabilities. At the beginning of the year, the Group guided that it expected this to decline for 2024. However, changes in expectations regarding the number of rate cuts in both the US and UK, along with balance sheet expansion, have resulted in net interest income from cash management increasing by 2% to £16.2m (H1 2023: £15.8m).

The Group expects further growth from its trade finance and liquidity services business as we take steps to expand credit limits to a small, highly selective group of clients, including central banks whose risk profiles we understand well. These credit lines will be used by clients specifically to facilitate their FX and Payments needs, primarily driving incremental transactional income as well as Net Interest Income. Given our understanding on how frequently these facilities cycle on an annual basis, in the Group's experience, for each £1 we increase trade finance balances, we create approximately £4 in additional FX volume in a given year which presents an exciting incremental growth opportunity for the Group.

Adjusted EBITDA margin compressed reflecting lower revenue and continued expansion

My initial assessment indicates that the Group's lean operating structure and relatively fixed operational cost base allows for a greater level of flexibility. The business prudently continued to invest in its long-term growth plans through the volatility experienced in the second half of the last financial year and the first half of the current one. Inevitably, this has compressed adjusted EBITDA margins from 56% in H1 2023 to 33% in H1 2024. It is also important to emphasise that run-rate costs have increased as a result of strategic investments such as expanding the EU office, set up costs for the US office, significant front-loaded costs associated with our new consolidated headquarters in London and expansion of our workforce. We have also made some efficiency gains as I have reduced the size of the executive team and delayered the organisation in various places, we continue to monitor costs carefully and to make sure we are adding in the right areas. We are expecting widening operating margins in the second half as we deliver increased revenue, and with costs remaining broadly flat to H1 resulting in an overall blended Adjusted EBITDA margin in the high 30s for the full-year.

Continuing on our path to invest for growth

Our investment plans remain unchanged as the business invests in people, technology and the network. In the first half the Group spent £6.8m (H1 2023: £2.0m) of "core" or intangible capex, which equated to 12% (H1 2023:3%) of Gross Income. This was higher than our usual run-rate given a renewed focus on product development, such as expanding our global payments reach, enhanced straight through processing and adopting a new flexible FX settlement system. We also spent another £2.2m (H1 2023: £0.2m) on fixed asset capex which was largely due to the fit-out of our new London Bridge Headquarters, which has a higher capacity than our previous offices and will attract a wider pool of talent. We also saw our underlying costs excluding depreciation and amortisation increase by 16% largely due to targeted expansion in our workforce to better serve our growing customer base and widening of our geographic footprint.

We are working on a broad pipeline of exciting projects which will deliver tangible benefits over the medium to long-term, which will further diversify the Group's revenue mix and for which we are incurring cost today. Highlights include:

- the development of new products, such as FX forwards and swaps;
- investing in data and analytics platforms to understand client trends to better develop future products;
- developing innovative ways to improve connectivity to new payment channels; and
- providing clients with 24-hour, round-the-world trading.

These are complemented with investments in our people. We are expanding the salesforce and network team to facilitate the onboarding of new clients, increasing our share of the wallet with existing clients and increasing the number of correspondent banks with whom we have relationships. We are attracting a high calibre of senior staff from across the industry, due to their belief in CAB Payment's purpose and our potential.

Secondly, there is a burgeoning need to be closer to our key customers on the ground, in their local markets. The Group will be investing more in local capabilities in order to better service customers, broaden the network and build on our relationships with local central banks and regulators.

Finally, our sharp focus on growth will require us to refresh and optimise the skillsets of our people. We are creating a corporate ethos that is even more customer centric by leveraging data and analytics, creating multi-product sales disciplines and encouraging a collaborative, execution and performance driven culture. We have made significant leadership changes in the business which has involved the recruitment of external talent with the expertise to drive leadership changes in the business which has involved the recruitment of external talent with the expertise to drive our business and culture forward, and deliver our full potential.

We will continue to keep the market updated as we progress on these exciting and tangible initiatives.

Strategic assessment - the fundamentals are strong, the growth platform is there: diversification and improved execution are key

Prior to being confirmed as Group CEO, I had the benefit of time to thoroughly assess the organisation and its strategic positioning. That review has re-confirmed that CAB Payments has a differentiated position in the specialist FX and payments market. It has unparalleled access to markets across Africa, deep rooted relationships with global IDO's and Emerging Market Financial Institutions ("EMFI") clients (as well as governments and central banks), underpinned by strong trading execution capabilities. When combined with being a regulated banking institution, the Group is a standout FX and payments service provider versus its peers in the B2B space.

In short, the foundations of a large-scale, high-quality business with the capacity for strong growth in revenues and margins are all there. However, there is work to do to evolve the Group into a less volatile, highly-diversified business which can demonstrate sustainable growth. This will come through improved execution of our strategy. Over the medium term, the management team will focus on the execution of four strategic pillars that deliver a diversified business that is sustainable and growing profitably, namely:

1. Network - strengthen the breadth and depth of our network;
2. Clients - deepen existing relationships, expand client base;
3. Platform - leverage the banking licence to accelerate FX and payment volume growth; and
4. Invest and innovate - disciplined capital management to drive value for all stakeholders.

1. Network - Strengthen the breadth and depth of our network

The Group's network is core to its business and allows advanced execution and competitive pricing for our clients. Thanks to our UK banking licence, the Group has exceptionally strong relationships with local liquidity providers, banks and central banks. As at H1 2024, the Group had 237 payment partners (H1 2023: 205) and 121 liquidity providers (H1 2023: 112) which was growth of 16% and 8% respectively on the prior period. It is essential that this growth and quality in our network accelerates.

Our existing network reflects our focus to date on our transacting business in certain corridors. In turn, this has left the Group overly-concentrated and therefore subject to higher risk of certain dislocations which were out of our control. This also meant that the Group has historically been reliant on fewer providers for its liquidity.

Now, our focus is to expand the network with additional on-the-ground presence in new and existing geographies. We will continue to develop the network across African markets, to maintain our leadership position, but will also drive senior relationships in new regions such as LATAM and the Middle East. A process to hire senior personnel in strategic areas is underway to begin this expansion effort. We are confident that this will provide an increasingly diverse client base with the liquidity, execution and pricing they need. We will take a more "de-centralised" approach to sales which allows us to be more culturally aligned to our customers and form deeper relationships with physical presence on the ground. Central banks are key to this process in terms of opening up liquidity and channels in specified regions.

2. Clients - Drive growth in new relationships and deepen our current relationships across our global footprint, better understanding and servicing our clients' needs

Today, we have a high-quality client base across major market banks, central banks, EMFIs, IDOs and Non-Bank Financial Institutions (NBFI). However, revenue from these clients is concentrated towards the top 25%, leaving a significant tail of low-transacting clients with significant untapped potential. We are therefore focused on better understanding their needs and expanding the monetisation of those relationships. To complement this growth area, we are developing new client relationships in our target geographies, using our newly-acquired EU licence and our upcoming US licence as a springboard.

There are three material actions we are taking to achieve this:

- building our senior sales leadership in the UK, EU and US;

a. building our senior sales leadership in the UK, EU and US;
b. investing in the expansion of the overall sales force, covering multiple client types and geographies; and
c. a new sales incentivisation scheme which aligns individual performance against monetary targets and our overall strategic aims.

Our intention is to at least double the size of the salesforce over the next three years. Our focus will be on senior sales personnel with a track record in our segment for driving relationships at the decision-maker level amongst a diversified target client base. A recruitment drive is already in place and we will expand this with the organic cadence of the business. A revised sales incentivisation scheme will drive better individual performance and alignment to the overall Group plans. This is a meaningful change and will drive the right behaviours and support sustainable top line growth for the future.

3. Platform - Leverage the banking licence to accelerate FX and payments volume growth

The Group's main subsidiary, CAB, is a PRA regulated UK banking institution which allows it to operate in ways that many other payment companies cannot. For example, its rigorous operational and compliance-based operating model has been a strong enabler of our network and its ability to open Nostro and Vostro accounts with local institutions. It is also able to effectively pool capital to generate effective returns. This is underpinned by the strong PRA regulatory framework in which we operate, giving our clients confidence that they can trust and partner with us safely.

Our banking model allows us to offer short-term liquidity facilities and trade finance to clients. To date, this has operated under a limited risk appetite framework. By offering multiple services to clients where we can assess their immediate product needs, we are able to foster even better client loyalty and increase our share of wallet, especially to clients for whom price is a significant factor.

In May 2024 we raised the total internal risk appetite of our trade finance lines from £100 million to £200 million and our liquidity as a service lines from £35 million to £70 million. We have started to offer these increased lines to our existing clients that exhibit a strong credit profile and will grow this as our operations grow. Each of these actions will drive a multiplier effect on transaction (Wholesale FX and Payments) volumes which is key driver of growth in our business.

4. Invest and innovate - Disciplined capital allocation

We have ambitious plans to grow the business. However, due to our banking structure, we need to set aside significant capital to underpin our regulatory capital requirements which increase with growth in revenue and balance sheet activities. This leaves a small proportion available for capital investment. Our highly cash-generative business model will finance these plans in the short and medium term. Looking to the medium-term, capital deployment will be essential to maximise the growth opportunity ahead of us. We see this as largely organic, but could also include pursuing select inorganic opportunities that fit our strategic priorities. If we believe we cannot derive market leading investment returns or there is significant surplus capital to our anticipated regulatory capital requirements then we will consider returning capital to shareholders, however we do not see there being sufficient spare capital in the immediate future to pursue this strategy without sacrificing growth.

Our investment focus will be largely centred on our already strong technology estate both on the client-facing front-end as well as operational resilience and automation. On the front-end we are supporting the launch of new products such as FX derivatives, next generation payment rails and improving workflow through straight through processing. We have already hired a new Head of Payments to drive our payments products forward and provide innovative solutions to our clients. On the operational side, we are making better use of AI to improve efficiencies in AML / KYC screening, transaction processing resiliency and updating our core payments APIs. This will allow us to process significantly more volume and lower transactions costs.

Outcome: Diversify, reduce concentration and drive sustainable growth

We believe that effectively executing against the above four strategic pillars will deliver strong fundamentals that will grow attractively year-on-year. Prior to my arrival, business growth was predicated on strong margins in select markets, notably those where positive dislocations were present. We are now shifting to operational execution where driving sales, expanding clients, expanding the network and geographic presence will ultimately drive increased volumes through our platform and truly offer 500+ currency pairs across 140+ countries.

These steps will lower concentration risk and will set a path for less volatile revenue generation. Driven by growth in revenue from other payments and currency corridors, as well as the reduced contribution from the three identified West African currencies, this concentration dropped significantly in the first half of 2024, a trend we want to continue to develop a more predictable and sustainable business.

We will be assessing the quality of delivery of our strategy against a number of strategic KPIs, these include: 1) growing the size of our network of partners and liquidity providers, 2) growing the number of clients, 3) growing the revenue generated per client, 4) reducing the proportion of Gross Income driven by the Top 5 currency corridors, 5) increasing in the proportion of revenue driven by LATAM / Middle East and APAC regions and 6) increasing the amount of capital available for use.

Outlook

I am a strong believer in the purpose driven growth prospects for the Group based on the global market opportunity before us. The emerging markets retain strong economic growth dynamics that are compelling for well-entrenched infrastructure players such as CAB Payments.

I am confident that the focused execution of our strategic pillars above will allow the Group to deliver sustainable and attractive growth year-on-year, while improving operational leverage to drive higher adjusted EBITDA margins over time. Gross Income growth will continue to be driven by our core transactions business (Wholesale FX & Payments) and supplemented by banking income. We will provide more details on our medium-term outlook at the time of the full-year results in March 2025.

As for 2024, the business is now on a more sustainable trajectory with 2023 proving to have been an exceptional year. The Group also believes that in 2024, there are no significant tailwinds in its major corridors. As a result, we expect Total Gross Income for 2024 to be marginally down compared to last year, while continuing to demonstrate double-digit growth in its underlying transactions business (beyond NGN, XAF and XOF).

I look forward to continuing to engage with all our stakeholders as we deliver on our purpose and execute on our strategic and operational plans.

Financial Review

Key Interim Financial Measures: £m	**Six months ended 30 June**			**YoY**
	2024	**2023**		**%**
Gross Income	55.7	71.8		(22)
Profit After Tax	10.2	14.6		(30)
Adjusted EBITDA [1]	18.7	40.0		(53)
Adjusted EBITDA margin (%)[1]	33.5%	55.7%		(40)

Operating Free Cashflow [1]	9.4	37.6		(75)
Operating Free Cashflow Conversion (%)[1]	50%	94%		(47)
Earnings Per Share (pence)	4.0p	6.1p		(33)
Adjusted Earnings Per Share (pence) [1]	4.3p	11.3p		(64)

Overall

Gross income for the six months ended 30 June 2024 was £55.7 million, this compares to £71.8m in 2023 with the reduction period-on-period primarily due to lower NGN income, as the currency experienced a take rate dislocation through the majority of the first half of 2023 which benefitted income.

Profit After Tax of £10.2 million has reduced from £14.6 million in H1 2023, because of the reduced NGN income partially offset by lower non-recurring expenses, which in 2023 represented the costs associated with the initial public offering ("IPO").

The business is strategically committed to ongoing investment, as demonstrated in the operational and capital expenditures for the first half of 2024. This investment supported the expansion of the company's international presence, with new hires in the Netherlands following the EU licence approval, and in North America to facilitate the US licence application process. Additionally, the company established a new headquarters in London. The UK headcount increased, particularly in sales and control functions. As a result of these investments and lower income, the adjusted EBITDA decreased from £40.0 million to £18.7 million, and operating free cash flow fell from £37.6 million to £9.4 million, period-on-period.

Income

Further Analysis of Gross Income £m	**Six months ended 30 June**		**YoY**	**YoY (Exc. NGN, XAF XOF)**
	2024	**2023**	**%**	**%**
Wholesale FX	22.9	37.8	(39)	24
Payments	14.1	16.8	(16)	0
of which				
Payments FX	*7.0*	*10.4*	*(33)*	*(14)*
Other Payments	*7.1*	*6.4*	*11*	*12*
Banking Services:	18.7	17.2	9	9
of which				
NII	*16.2*	*15.8*	*2*	*2*
Other banking services	*2.5*	*1.4*	*87*	*87*
Total Gross Income	**55.7**	**71.8**	**(22)**	**11**

Wholesale FX and Payments FX

The combined income from Wholesale FX and Payments FX decreased by 38% between the first half of 2023 and the first half of 2024. This decline was due to challenges in the three largest corridors: NGN experienced margin dislocation in the first half of 2023, while XOF and XAF faced structural market changes along with competitive pressures in the second half of 2023 which continued into the first half of 2024. This led to reduced take rates and volumes. However, excluding the impacts from XOF, XAF, and NGN, the underlying combined revenue from Wholesale FX and Payments FX increased by 14%, highlighting the robustness of our business model.

Historically, our income has been heavily concentrated in the top currency corridors, with over c. 40% generated from NGN, XOF, and XAF alone in the first half of 2023. In 2024, we have diversified our income sources. The business is striving to reduce volatility by expanding our client base, increasing the number of payment partners, and broadening the range of currencies we offer.

Total volumes increased by 4% compared to the previous period, driven primarily by growth in Developed Market currencies due to our enhanced collaboration with Emerging Markets Financial Institutions (EMFIs). Despite challenging trading conditions in the first half of 2024, including structural changes and central bank interventions that affected our ability to source competitively priced currency, Emerging Markets volumes remained broadly flat and excluding NGN, XOF and XAF increased by 10%. Market analysis indicates that IDOs underutilized their budgets by as much as 18% in the first half of 2024.

Take rates decreased from 28 basis points (bps) to 17 bps, driven by a significant reduction in Emerging Markets take rates from 61 bps to 33 bps, primarily due to the NGN take rate dislocation in the first half of 2023. Excluding NGN, XOF and XAF, Emerging Market take rates resiliently remained broadly flat period on period at 33bps.

Wholesale FX and Payment FX Performance by Market	**Income (£m)**		**Volume (£bn)**		**Take Rate (%)**	
Six months ended 30 June:	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Developed Markets	7.5	5.8	10.8	10.0	0.07	0.06
Emerging Markets	22.3	42.4	6.8	7.0	0.33	0.61
Total Markets	**29.8**	**48.2**	**17.6**	**17**	**0.17**	**0.28**

Historically, income has been higher in the second half of each year, with the exception of 2023, primarily attributable to the headwinds experienced across the key currencies of NGN, XOF and XAF. In 2024, we expect revenues to return to the historic 40%/60% H1/H2 seasonality trend, with second-half uplifts driven by seasonality of payment flows from the existing client base and strategic initiatives put in place during Q2.

Other Payments

Other Payments represents income from our correspondent banking, Pension payments and final mile mobile payments. In 2024, income from these products has increased by £0.7m or 11% to £7.1 million from £6.4 million, largely reflecting an increased number of EMFI clients utilising our correspondent banking capabilities.

Banking Services

Other Banking Services income, which primarily reflects Net Interest Income from cash management activities and Trade Finance income, for the six months ended 30 June 2024 was £18.7 million, up from £17.2 million for the prior period whilst absorbing an increase of £0.2m in interest expense as a result of recognising the IFRS16 lease liability for the new London headquarters.

Entering 2024, there was an expectation that the Banking Services income would decline as a result of expected rate cuts particularly by the Bank of England and FED. These rate cuts have not come through and income was higher than planned. This increase was driven by higher trade finance activity resulting from the strategic decision to increase the overall credit exposure limits to continue to support our EMFI customers and utilising our available surplus capital to drive transactional payment volumes. This income line is expected to continue to reflect movements in our limit increases for the remainder of the year.

Client Performance

Client Sector Analysis: £m	**Six months ended 30 June**			**YoY**
	2024	**2023**		**%**
Emerging Market Financial Institutions (EMFI)	29.4	29.4		0
International Development Organisations (IDO)	8.3	17.7		(53)
Major Market Banks (MMBs)	1.0	3.1		(68)
NBFI and Fintechs	17.0	21.6		(21)
Total Gross Income	**55.7**	**71.8**		**(22)**

The IDO and NBFI & Fintech client segments both utilise our NGN currency corridor, and therefore both have experienced a reduction in income as a result of the non-repeat of the NGN take rate dislocation experienced during H1 2023, further IDO income is lower a result of reduced flow from their underutilised budgets. Our EMFI business continues to grow strongly, with additional central banks using our correspondent banking and deposits capabilities.

Operating Expenses

£m	**Six months ended 30 June**			**YoY**
	2024	**2023**		**%**

Staff Expenses	23.0	20.5		12
Administrative Operating Expenses	15.2	11.7		30
Depreciation and Amortisation	3.8	3.0		27
Non-recurring Operating Expenses	0.4	13.1		(97)

Staff expenses have increased to £23.0 million in the first half of 2024 compared to £20.5 million in H1 2023, a growth of 12%, as a result of higher average number of employees (H1 2024: 384 FTE, H1 2023: 304 FTE), as the business continues to invest for sustainable income growth, and the impact of annual performance and inflationary staff increases.

Administrative operating expenses have grown by 30%, which is primarily driven by an increase in building related expenses due to the Company's new London headquarters, and higher software costs driven by licences of new systems implemented.

Non-recurring items have significantly reduced, with 2023 costs primarily reflecting the professional fees incurred during the IPO process undertaken in the first half of the year, as well as non-performance staff bonuses relating to recruitment commitments on listing.

Taxation

The tax charge arising during the period of £3.4 million (H1 2023: £9.0 million) is based on an effective tax rate of 25.1% (being the expected rate for the entire year). This is at a more normalised level compared to the H1 2023 effective tax rate of 38% which was high as a result of adjustments for disallowable costs associated with the IPO. The tax rate takes into account the standard corporation tax rate (H1 2024: 25%, H1 2023: 19%) and with respect of Q1 2023, the impact of the legacy banking surcharge (8% for profits greater than £25m).

Investments

Capital expenditure for the six months ended 30 June 2024 was £9.0 million (H1 2023: £2.2 million), of which £2.9 million related to establishing the new London head office after an enforced move from Quadrant House. The remaining costs primarily relate to investment in software and we continue to anticipate that capitalised expenditure will be within a range of £13 to £15 million by the end of the year, excluding the property set up costs.

Balance Sheet and Capital

The balance sheet largely comprises interest-bearing current and term customer deposits to support payment flows, which the Group holds in high quality liquid assets in order to meet liquidity requirements. The reported consolidated statement of cash flows therefore largely reflects the movement in customer deposits, and movements in to and out of asset classes not classified as cash and cash equivalents.

Customer account balances as at 30 June 2024 were £1,446 million, compared to £1,543 million at 31 December 2023. The customer accounts represent demand deposit accounts of corporate and other institutional customers held with CAB. A substantial proportion of customer accounts are US dollar accounts. On the last working day of 2023, there was a single large, short-term placement on the balance sheet of £193m, which was paid away subsequently in 2024, which is the main driver behind the reduction between December 2023 and June 2024.

Dividends

No dividends have been declared in 2024. In 2023 and prior to the IPO, the Company declared dividends to its shareholders of £5.6 million on 26 April 2023 and £5.7 million on 1 June 2023.

CAB Tech Holdco Limited, a subsidiary of the Company, declared a total dividend of £17.1 million on 19 April 2023 (30 June 2022: nil), of which £1.5 million was payable externally to CAB Tech Holdco Limited's minority shareholders.

Related Parties

Please refer to Note 26 to the interim condensed consolidated financial statements where detailed disclosures on related parties are made.

Principal Risks and Uncertainties

Effective risk management is critical to realising the Group strategy. The Group has an established risk management framework to manage and mitigate the various risks that we face. As at 30 June 2024 and for management framework to manage and mitigate the various risks that we face. As at 30 June 2024 and for the period up until the year end, the principal risks consisted of:

Risk Type and Current Context	Mitigants and other considerations
Business Risk The Group's business model and operations rely on the continued relationships with a diversified network of counterparties and partners including liquidity providers, nostros and clearing agents across currency markets. The Group is highly reliant on established relationships with a small number of key banks for clearing USD, GBP and EUR. The Group provides access to emerging markets, with a level of concentration to sub-Saharan Africa. Significant changes to our partner network or key market structures (e.g. the narrowing or removal of market dislocations, general access, regulatory, economic, or geopolitical conditions) would have a corresponding impact on the Group's business, operations, financial performance and reputation. Potential events may include: • Adjustments in the nature of our partner networks impacting access to local liquidity or clearing services • Structural changes to markets that result in the removal or narrowing of dislocations and/or access to preferential local market currency rates • Changes to local economies including market structure (e.g. regulatory/central bank monetary actions) • Economic or political events (e.g. changes in government) • Translation risk associated with significant strengthening in GBP relative to USD.	• The Board and Management periodically review and update the strategic plan, budgets, targets, emerging opportunities and threats. • The Board and Management track and manage, through governance, a range of metrics and early warning indicators to highlight emerging risks to performance including take rates and identify and undertake any appropriate management actions. • The Group has a dedicated network team, who develop and manage our key local relationships. Actions continue to be taken to ensure these are adequately diversified including for key currencies such as USD and GBP. This function also tracks and reports regulatory changes and geo-political issues in these markets. • The Group has a strategic risk register which tracks the top risks and the corresponding actions planned and underway to mitigate these. This is reported periodically to the Risk Committee and Executive Risk Committee. • The Group has a medium-term strategy in place to continue diversifying revenues across geographies, clients and products. • The Group only deals with regulated institutions in respect of these transactions.
Financial Crime Risk One of the Group's core offerings is correspondent banking and payments services. It facilitates inclusion and allows corporates, individuals and our clients to conduct millions of transactions across the world on a daily basis. However, this type of product can be more vulnerable to money launderers, fraudsters, tax-evaders and sanctions breachers.	• To mitigate risks effectively, the Group has implemented strict onboarding and correspondent banking due diligence processes and procedures, as well as strong governance and client approval committees. • A robust country risk framework mitigates the Group's exposure to high- risk countries. This framework includes complete prohibitions of some countries and detailed restrictions on others. • Screening and monitoring controls enforce the framework, and the Group's employees have a strong awareness and understanding of the legal and regulatory environment in which they operate, including the relevant financial crime prevention provisions.
Operational Risk The Group is exposed to operational risk in executing its core business activities and seeks to manage this exposure in a cost-effective manner. The Group is alert to the fact that operational risk has a broad remit, covering processes, people, systems and external events. It therefore has a risk appetite set at Level 2 risk types. The top level 2 risks at this level are: Data management risk, execution, transaction processing and delivery risk, technology, information security and cyber risk, outsourcing, vendor management and third-party risk, social risk, people risk,	• The Group has an established Group Operational Risk Management Policy that details various tools supporting the identification, assessment, management and reporting of operational risk, linked to the Group ERMF. • RCSA's are performed at business unit level. All risks and controls are stored centrally in the Groups GRC system. The system has links to risks, controls, issues, assurance actions, board metrics and other similar information thus providing a holistic operational risk profile. • Processes are being documented, and automation considered, to ensure consistency and reduction of manual / bespoke processes. • The Group is working on obtaining ISO27001 and Cyber Essential accreditation.

operational resilience and client, products and business practices.	• Annual business continuity plan and disaster recovery tests are completed with lessons learnt driving improvements and enhancements.
Credit Risk Credit risk is generated through the Group's banking and financing activities, i.e. through trade finance products, working capital overdrafts, Nostro balances etc. Counterparty credit risk arises due to FX/Payment related trading and derivatives activities where counterparties fail to meet their financial obligations, including collateral obligations, as they fall due. Treasury related activities also generate an element of credit risk through its day-to-day placement of funds i.e. money market funds, HQLA portfolio etc.	• Credit Risk remains a key focus for the Group given the current macroeconomic environment. • Risk appetite thresholds are constructed with regard to regulatory requirements and internal assessments included within the ICAAP. • An established credit policy is in place with portfolio levels exposure limits and a maximum individual counterparty exposure limit framework. The Credit Risk Committee provides individual counterparty approvals and portfolio level oversight. • Counterparty FX and derivatives transaction risk is mitigated via an ISDA master agreements and credit support annexes, where suitable.
Market Risk The Group's market risk exposure occurs primarily through FX volatility and IRRBB. The economic and financial market uncertainties remain elevated, disruptive adjustment to interest rate levels, deteriorating trade or geopolitical tensions could have implications for: FX rates, net interest margin, or the value of the Group's Nostro balances.	• An assessment of market risk drivers is conducted as part of the ICAAP, and to assess BAU and stressed market risk. • Market Risk exposure limits are staggered, to constrain typical market risk exposure. The Group primarily trades in the FX spot market and risk appetite limits are set and monitored at both an aggregate and currency level. • Defensive positions are typically taken to the extent that markets exhibit increased market risk events, such as during national elections. • Interest rate risk in the banking book is driven by client deposit-taking, investments in the liquid asset portfolio and funding activities. The Group executes hedging strategies to ensure a predominantly matched profile and thereby mitigate the majority of the IRRBB risks that result from these activities.
Regulatory and Compliance Risk As the Group continues to grow in terms of increasing size and complexity it brings with it a complex legislative and regulatory landscape thus increasing the risks of legal or regulatory sanctions, material financial loss and/or reputational damage in the markets in which we operate.	• Horizon-scanning is conducted to monitor upcoming UK regulatory changes. Responding to any regulatory request promptly. • Ensuring that we have adequate permissions to operate in certain markets. CAB Payments partners with local providers that are typically regulated entities or locally licensed. • The Group consults third-party legal counsel for new territorial expansions to ensure compliance with local regulations.
Capital Adequacy Risk The Group's capital ratios can be affected by various business activities and the failure to meet prudential capital requirements, internal targets and/or to support the Group's strategic plans.	• The Group has robustly defined capital adequacy thresholds, constructed in reference to regulatory requirements and maintain capital ratios in excess of these. • Day-to-day capital risk exposure is managed by the Treasury function with oversight from Asset & Liability Committee and the Group Treasury Committee, who monitor and manage capital risk in line with the Group's capital management objectives, capital plan and risk frameworks. • If the Group were to encounter a significant stress on capital resources, a Recovery Plan is maintained which includes options to ensure it can remain sufficiently capitalised to remain viable.
Liquidity and Funding Risk The Group's liquidity ratios (i.e. LCR and Net Stable Funding Ratio ("NSFR")) can be affected by various business activities, either idiosyncratic or market wide, that could impact prudential liquidity requirements and corresponding business activities, and investor or depositor confidence. The key liquidity risk drivers are depositor outflows, and intraday liquidity requirements	• Funding and liquidity risks are managed within a comprehensive risk framework in reference to regulatory requirements and internal thresholds to ensure there is no significant risk that liabilities cannot be met as they fall due. • CAB produces an ILAAP at least once per calendar year. Challenge and oversight of the ILAAP occurs at the Asset & Liability Committee and the Risk Committee before approval by the Board. • Day-to-day liquidity risk exposure is managed by

	the Treasury function with oversight from the Asset & Liability Committee and the Group Treasury Committee. • Treasury conducts regular and comprehensive liquidity stress testing, including reverse stress testing, to ensure that the liquidity position remains within the Board's appetite.
Conduct Risk Conduct risk can arise through: - the design of products that do not meet client needs; - mishandling complaints where the Group has behaved inappropriately towards its clients; - inappropriate sales processes; and - behaviour that does not meet market or regulatory standards	• Conduct risk is incorporated into the product approval process. • Complaints are formally registered, investigated and responses provided. • All staff receive annual online training on conduct, ethics and culture.

Audit tender

The Group has commenced a tender process for the role of external auditor for the financial year ending 31 December 2025. The audit tender process will be overseen by the Group Audit Committee and is expected to conclude by the end of the current financial year. A resolution proposing the appointment of the selected firm will be put forward at the next Annual General Meeting. The Group's current external auditor is Forvis Mazars LLP who were originally appointed for the financial year ended 31 December 2021.

Directors' Responsibility Statement

The Directors confirm that these Interim condensed consolidated Financial Statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting', as adopted by the United Kingdom and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions described in the last annual report and Accounts that could do so. These have been disclosed in Note 26.

Neeraj Kapur was appointed as the Group CEO of CAB and CAB Payments on 20 June 2024. A list of Directors is maintained on the Company's website, www.cabpayments.com.

The Directors are responsible for the maintenance and integrity of the Company's website.

By order of the Board,

Neeraj Kapur
Chief Executive Officer

Richard Hallett
Chief Financial Officer

3 September 2024

Alternative Performance Measures

CAB Payments uses alternative performance measures ("APMs") when presenting its financial results. Management believe these provide stakeholders with additional useful information to interpret the underlying performance of the business. They are used by the Directors and management to monitor performance.

APMs used within this management report are supplemental to, but not a substitute for IFRS measures presented within the interim condensed consolidated financial statements. They may not be comparable with the APMs of other companies.

Alternative Performance Measure	How the metric is used	Calculation Definition	Calculation
Gross Income or Income	As noted in previous years, as a growing organisation, the Group's focus is on driving income growth through controlled investment, whether as capital expenditure or through operating costs.	Total income, net of interest expense.	Interim condensed consolidated statement of profit or loss
EBITDA	The key measure of profitability used internally at Executive Committees and Board and with externally with investors.	Calculated as Profit before Tax and IFRS16 lease liability interest, depreciation and amortisation. Although it is typical to calculate EBITDA before interest, our net interest income is generated from operational client deposits and subsequent re-investment to generate returns for the shareholder and therefore remains included within EBITDA.	Note 3: segmental reporting note
Adjusted EBITDA	The Group believes that Adjusted EBITDA is a useful measure for investors because it is closely tracked by management to evaluate Group's performance for making financial, strategic and operating decisions, as well as aiding investors to understand and evaluate the underlying trends in the Group's performance period on period, in a comparable manner.	EBITDA before non-recurring operating expenses or exceptional items which have been identified by management.	See Table 1
Adjusted EBITDA Margin	A measure of profitability, by understanding how much of the income is converted to profit.	Adjusted EBITDA as a percentage of Gross Income	See Table 2
Adjusted Profit After Tax ("PAT")	A measure of profitability based on adjusting the statutory profit after tax by removing identified exceptional items. Although these items may not be classified as non-recurring expenses under IFRS, management believes their inclusion distorts the future expected run rate of costs.	Profit before Tax before non-recurring operating expenses or exceptional items identified by management, after deducting tax figure based on applicable standard HMRC tax rates for the period.	See Table 3
Adjusted Earnings Per Share ("AEPS")	The Group consider the Adjusted EPS to better reflect the base line of shareholder value on a go forward basis, when adjusting for one off or exceptional costs and discontinued items.	Adjusted Profit After Tax for the period divided by the total number of called up shares at the period end. Measured in pence.	See Table 3
Operating Free Cash Flow	Measure of cash flow generated by the business. It is a non-statutory measure used by the Board and the senior management team to measure the ability of the Group to support future business expansion, distributions or financing.	Adjusted EBITDA before the cost of purchasing property, plant and equipment, the cost of intangible asset additions and the cost of lease payments.	See Table 4
Operating Free Cash Flow Conversion	A measure used by the Group to understand how much of the Group's profitability (measured as adjusted EBITDA), is converted to available capital for future business growth.	Free cash flow as a percentage of Adjusted EBITDA	See Table 4
Wholesale FX and Payment FX income	Wholesale FX and Payment FX Income is measured collectively by Group as the underlying economic drivers are the same. The income, volume and margins are all measured and monitored, along with the underlying currencies, to help	Net foreign exchange gain	Interim condensed consolidated statement of profit or loss

	underlying currencies, to help the Group understand broader income performance. The reported figures represents the accumulative income from all trades undertaken during the year, where the income of a single transaction has been generated from the bid / ask spread and any associated payment fees if the Foreign Exchange is then forward to a 3rd party beneficiary.		
Alternative Interest Income	Group measures and monitors net interest income by its underlying commercial driver, which enables evaluation of performance in consideration of return on capital deployed and product profitability.	This is done by capturing interest income by source and spreading the interest expense through an internal transfer pricing mechanism	See table 5

Table 1:

Adjusted EBITDA	**reference**		**Six months ended 30 June:**	
			2024	**2023**
			£'000	£'000
EBITDA	Note 3		17,669	26,836
Non-recurring expenses	Interim condensed consolidated statement of profit or loss		412	13,140
Strategic Restructuring Costs	Glossary		590	-
Adjusted EBITDA			18,671	39,976

Table 2:

Adjusted EBITDA margin	**reference**		**Six months ended 30 June:**	
			2024	**2023**
			£'000	£'000
Adjusted EBITDA	Table 1	A	18,671	39,976
Gross Income (defined as Total Income, net of interest expense)	Interim condensed consolidated statement of profit or loss	B	55,739	71,812
Adjusted EBITDA margin		A / B	33.5%	55.7%

Table 3:

Adjusted PAT and Adjusted EPS	**reference**		**Six months ended 30 June:**	
			2024	**2023**
			£'000	£'000
Profit Before Tax	Interim condensed consolidated statement of profit or loss	A	13,673	23,794
Non-recurring expenses	Interim condensed consolidated statement of profit or loss	B	412	13,140
Strategic Restructuring Costs	Glossary	C	590	-

Adjusted Profit Before Tax		**D=A+B+C**	**14,675**	**36,934**
Adjusted Tax (2024 H1: 25%, 2023 H1: 22%)*		E	(3,669)	(8,126)
Adjusted Profit After Tax		**F=D-E**	**11,006**	**28,808**
Number of Shares		G	254,143,218	254,143,218
Adjusted Earnings Per Share		**F / G**	**0.04**	**0.11**

*Refer to APMs definition of Tax under Adjusted PAT.

Table 4:

Operating Free Cash Flow:	**reference**		**Six months ended 30 June:**	
			2024	**2023**
			£'000	£'000
Adjusted EBITDA	Table 1	A	18,671	39,976
Less: additions of tangible fixed assets	Note 15		(2,213)	(160)
Less: additions of intangible fixed assets	Note 17		(6,813)	(2,017)
Less: cash payments made on property leases	Note 16 B		(264)	(168)
Operating Free Cash Flow		B	9,381	37,631
Operating Free Cash Flow Conversion		B / A	50%	94%

Table 5:

Alternative Interest Income:	**reference**		**Six months ended 30 June:**	
			2024	**2023**
			£'000	£'000
Net Interest Income	Interim condensed consolidated statement of profit or loss		9,076	11,039
Gains on money market funds	Interim condensed consolidated statement of profit or loss		8,546	4,551
Net gain on financial assets and financial liabilities mandatorily held at fair value through profit or loss	Interim condensed consolidated statement of profit or loss		179	1,089
Total			**17,801**	**16,679**
NII from Cash Management			16,153	15,812
Trade Finance NII			1,304	617
Liquidity as a Service NII			344	250
Total			**17,801**	**16,679**

INDEPENDENT REVIEW REPORT TO CAB PAYMENTS HOLDINGS PLC

Conclusion

We have been engaged by the CAB Payments Holdings plc (the "Company") and its subsidiaries (collectively referred to as "the Group") 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 interim condensed consolidated statement of profit or loss, the interim condensed consolidated statement of other comprehensive income, the interim condensed consolidated statement of financial position, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows and the related notes 1 to 32.

Based on our review, nothing has come to our attention that causes us to believe that the set of interim condensed consolidated 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 UK 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 (Revised), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued for use in the United Kingdom. A review of interim financial information consists of making enquiries, 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 1, the annual financial statements of the Group are prepared in accordance with UK adopted International Accounting Standards. The set of interim condensed consolidated financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management 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 (Revised), however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with UK adopted International Accounting Standard 34 and 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 Group 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 report, we are responsible for expressing to the Group a conclusion on the set of interim condensed consolidated financial statement in the half-yearly financial report. Our conclusion, including our Conclusions 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 the review report

This report is made solely to the Group in accordance with International Standard on Review Engagements (UK) 2410 issued by the Financial Reporting Council and our Engagement Letter dated 26 July 2024. Our work has been undertaken so that we might state to the Group 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 Group, for our review work, for this report, or for the conclusions we have formed.

Signed:

Forvis Mazars LLP

Chartered Accountants

30 Old Bailey

30 Old Bailey

London EC4M 7AU

3 September 2024

Notes:

(a) The maintenance and integrity of the CAB Payments Holdings plc website is the responsibility of the directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Interim condensed consolidated statement of profit or loss for the six months ended 30

	Note	Six months ended 30 June 2024 £'000	2023 £'000
Continuing operations			
Interest income	4	28,697	23,763
Interest expense	4	(19,621)	(12,724)
Net Interest Income		**9,076**	**11,039**
Gains on money market funds		8,546	4,551
Net gain on financial assets mandatorily held at fair value through profit or loss		179	1,089
Fees and commission income	5	8,090	6,981
Net foreign exchange gain	6	29,848	48,152
Total income, net of interest expense		**55,739**	**71,812**
- Recurring	7	(42,010)	(35,199)
- Non-recurring	7	(412)	(13,140)
Operating expenses		(42,422)	(48,339)
Reversal of impairment loss on financial assets at amortised cost		356	321
Profit before taxation		**13,673**	**23,794**
-Tax expense	8	(3,432)	(9,039)
Profit after tax for the period from continuing operations		**10,241**	**14,755**
Discontinued operations			
Loss after tax for the period from discontinued operations		-	(153)
Profit for the period		**10,241**	**14,602**
Profit for the period attributable to:			
Owners of the parent		**10,241**	13,578
Non-controlling interests		**-**	1,024
		10,241	**14,602**
Basic and diluted earnings per share	25	**2024 pence**	**2023 pence**
Continuing operations		4.0	6.2
Discontinued operations		-	(0.1)
Total basic and diluted earnings per share		**4.0**	**6.1**

The notes on pages 31 to 66 form part of these interim condensed consolidated financial statement.

Interim condensed consolidated statement of other comprehensive income for the six months ended 30 June 2024

	Note	Six months ended 30 June 2024 £'000	2023 £'000
Profit for the period		**10,241**	**14,602**
Other comprehensive income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange losses on translation of foreign operations		(36)	(138)
Items that will not be reclassified subsequently to profit or loss:			
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income		20	-
Income tax relating to these items		-	-
Other comprehensive loss for the period net of tax		**(16)**	**(138)**
Total comprehensive income		**10,225**	**14,464**
Total comprehensive income attributable to:			
- Owners of the parent		10,225	13,450
- Non-controlling interests		-	1,014
		10,225	14,464

	10,223	**14,404**

The notes on pages 31 to 66 form part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position as at 30 June 2024

	Note	**As at 30 June 2024**	As at 31 December 2023
		£'000	£'000
Assets			
Cash and balances at central banks	9	499,725	528,396
Money market funds	10	390,084	518,764
Loans and advances on demand to banks	11	130,715	135,178
Investments in debt securities	13	317,011	353,028
Other loans and advances to banks	11	198,287	137,570
Other loans and advances to non-banks	11	8,268	8,216
Unsettled transactions	14	29,068	8,417
Derivative financial assets	12	4,083	3,829
Investments in equity securities		569	495
Other assets	14	19,148	11,200
Accrued income		1,848	1,215
Property, plant and equipment	15	2,981	1,191
Right of use assets	16	17,706	689
Intangible assets	17	28,281	24,294
Total assets		**1,647,774**	**1,732,482**
Liabilities			
Customer accounts	18	1,446,035	1,542,889
Derivative financial liabilities	12	1,254	9,679
Unsettled transactions	19	16,013	20,081
Other liabilities	19	9,287	8,121
Accruals	19	11,894	18,367
Lease liabilities	16	17,063	884
Deferred tax liability		2,807	695
Provisions	20	1,350	236
		1,505,703	**1,600,952**
Equity			
Called up share capital	21	85	85
Treasury shares	22	(242)	-
Retained earnings	23	142,277	131,478
Foreign currency translation reserve		(180)	(144)
Investment revaluation reserve		131	111
Equity attributable to owners of the parent		**142,071**	**131,530**
Total liabilities and equity		**1,647,774**	**1,732,482**

Company registration number - 09659405

The Board of Directors approved the interim condensed consolidated financial statements on 03 September 2024.

N Kapur
Group Chief Executive Officer

R Hallett
Group Chief Financial Officer

The notes on pages 31 to 66 form part of these interim condensed consolidated financial statements

Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2024

	Attributable To Owners Of The Parent							
	Share Capital	Treasury shares	Retained earnings	Investment revaluation reserve	Foreign currency translation reserve	Total	Non-Controlling Interest (NCI)	Total Shareholders' Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024	**85**	**-**	**131,478**	**111**	**(144)**	**131,530**	**-**	**131,530**
Profit for the period (Note 22)	-	-	10,241	-	-	10,241	-	10,241
Other comprehensive income:								
Foreign exchange losses on translation of foreign operations	-	-	-	-	(36)	(36)	-	(36)
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income	-	-	-	20	-	20	-	20
Income tax relating to these items	-	-	-	-	-	-	-	-
Other comprehensive loss net of tax	-	-	**-**	**20**	**(36)**	**(16)**	**-**	**(16)**
Total comprehensive income/ (loss)	-	-	**10,241**	**20**	**(36)**	**10,225**	**-**	**10,225**
Transactions with owners in their capacity as owners:								
Share based payment expense	-	-	520	-	-	520	-	520
Stamp duty refund	-	-	38	-	-	38	-	38
Acquisition of treasury shares by EBT (Note 21)	-	(242)	-	-	-	(242)	-	(242)
Total	-	**(242)**	**558**	**-**	**-**	**316**	**-**	**316**
Balance at 30 June 2024	**85**	**(242)**	**142,277**	**131**	**(180)**	**142,071**	**-**	**142,071**
Balance at 1 January 2023	**68,010**	**-**	**40,179**	**96**	**(31)**	**108,254**	**7,704**	**115,958**
Profit for the period (Note 22)	-	-	13,578	-	-	13,578	1,024	14,602
Other comprehensive income								
Foreign exchange gains on translation of foreign operations	-	-	-	-	(128)	(128)	(10)	(138)
Other comprehensive loss	-	-	-	**-**	**(128)**	**(128)**	**(10)**	**(138)**
Total comprehensive income/ (loss)	**-**	**-**	**13,578**	**-**	**(128)**	**13,450**	**1,014**	**14,464**
Transactions with owners in their capacity as owners:								
Share based payment expense	-	-	978	-	-	978	46	1,024
Capital injection	-	-	3,330	-	-	3,330	296	3,626
Share capital reduction	(67,936)	-	67,936	-	-	-	-	-
Dividends declared	-	-	(11,300)	-	-	(11,300)	(1,540)	(12,840)
Total	**(67,936)**	-	**60,944**	**-**	**-**	**(6,992)**	**(1,198)**	**(8,190)**
Balance at 30 June 2023	**74**	-	**114,701**	**96**	**(159)**	**114,712**	**7,520**	**122,232**

The notes on pages 31 to 66 form part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows for the six months ended 30 June 2024

	Note	Six months ended 30 June	
			Restated[1]
		2024	2023
		£'000	£'000
Cash outflow from operating activities[1]	24	**(138,344)**	**(19,389)**
Tax paid		(11,347)	(9,780)
Payments for interest on lease liabilities		(212)	(34)
Net cash generated used in operating activities[1]		**(149,903)**	**(29,203)**
Cash flow used in investing activities			
Purchase of property, plant and equipment	15	(2,213)	(160)
Purchase of intangible assets	17	(6,813)	(2,017)
[illegible]			[illegible]

Proceeds from sale of investment in CAIM		-	1,846
Net cash used in investing activities		**(9,026)**	**(331)**
Cash flow used in financing activities			
Repayment of principal portion of the lease liability	16	(264)	(168)
Proceeds from shares issued to non-controlling interests[1]		-	975
Purchase of treasury shares	21	(242)	-
Dividends paid		-	(12,840)
Increase in overdraft accounts		174	77
Net cash used in financing activities[1]		**(332)**	**(11,956)**
Net decrease in cash and cash equivalents[1]		**(159,261)**	**(41,490)**
Cash and cash equivalents at the beginning of the period		1,182,339	907,053
Effect of exchange rate changes on cash and cash equivalents		(2,554)	(15,092)
Cash and cash equivalents at the end of the period		**1,020,524**	**850,471**
Analysed as follows:			
Cash and balances at central banks	9	**499,725**	577,572
Money market funds	10	**390,084**	164,982
Loans and advances on demand to banks	11	**130,715**	107,917

[1] Prior year restatement note is disclosed in Note 24.

The notes on pages 31 to 66 form part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2024

1. STATEMENT OF ACCOUNTING POLICIES

The following accounting policies relate to the financial statements of CAB Payments Holdings plc ("the Company") and its subsidiaries (collectively referred to as "the Group").

(a) General Information

The Company is incorporated and domiciled in England. On 4 July 2023 the Company was re-registered as a public limited company, CAB Payments Holdings plc, in order to align with its strategic objectives. The address of its registered office as at 30 June 2024 is 3 London Bridge St, London SE1 9SG, England.

CAB Payments is a market leader in business-to-business cross-border payments and foreign exchange, specialising in hard-to-reach markets.

(b) Basis of Preparation

The interim condensed consolidated financial statements comprise (i) the interim condensed consolidated statements of profit or loss, (ii) the interim condensed consolidated statement of other comprehensive income, (iii) the interim condensed consolidated statement of financial position, (iv) the interim condensed consolidated statement of changes in equity, (v) the interim condensed consolidated statement of cash flows and (vi) the related notes of the Group, for the six months ended 30 June 2024.

The interim condensed consolidated financial statements have been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with UK adopted International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have not been audited and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 but has been reviewed by the auditor in accordance with International Standard on Review Engagements (UK) 2410 issued by the Financial Reporting Council. The Group's statutory accounts for the year ended 31 December 2023, prepared in accordance with UK adopted international accounting standards, have been delivered to the Registrar of Companies. The report of the auditor on these financial statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

The interim condensed consolidated financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2023 from which the comparative information as at 31 December 2023 has been derived. The interim condensed consolidated financial statements dated 30 June 2024 and 30 June 2023 have been reviewed, but not audited. The comparative financial statements dated 31 December 2023 have been audited as part of the 2023 financial statements unless noted otherwise.

Comparatives, only in relation to the cash flow, have been restated in line with current period disclosures and corrections from prior period disclosures. Details of these changes are set out in Note 24. These restatements did not result in a change of accounting policies and there is no impact to profit or loss and equity.

The interim condensed consolidated financial statements are presented in British Pound Sterling ("£"). All values are rounded to the nearest thousand ("£'000"), except where otherwise indicated.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(c) Accounting policy

The accounting policies and presentation applied by the Group in these interim condensed consolidated financial statements are consistent with those applied in the Annual Report and Accounts for the year ended 31 December 2023 and those expected to be applied in the year to 31 December 2024.

The annual financial statements of the Group will be prepared in accordance with UK adopted International Accounting Standards (UK adopted International Financial Reporting Standards ("IFRSs")).

The Group has adopted the following new or amended IFRSs and interpretations that are effective from 1 January 2024, none of which had any material impact on the Group's interim condensed consolidated financial statements.

Accounting standard	Details of amendment
Amendments to IAS 1	Classification of Liabilities as Current or Non-current: clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance.
Amendments to IFRS 16, Leases	Lease Liability in a Sale-and-Leaseback requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows. • On initial recognition, include variable lease payments when measuring a lease liability arising from a sale-and-leaseback transaction. • After initial recognition, apply the general requirements for subsequent accounting of the lease liability such that no gain or loss relating to the retained right of use is recognized.
IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures (Amendment)	Supplier Finance Arrangements: requires an entity to disclose qualitative and quantitative information about its supplier finance programs, such as terms and conditions - including, for example, extended payment terms and security or guarantees provided.

1. **STATEMENT OF ACCOUNTING POLICIES (continued)**

(d) New and revised IFRS accounting standards in issue but not yet effective

At the date of authorisation of these interim condensed consolidated financial statements, the Group has not applied the following new and revised IFRS that have been issued but are not yet effective.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates:	Lack of Exchangeability (Issued August 2023). The standard is effective 1 January 2025.
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures effective 1 January 2026	The amendments provide guidance related to: • Financial assets with ESG-linked features; • Settlement of financial liabilities by electronic payments
New sustainability standards issued by the International Sustainability Standards Board (ISSB) effective 1 January 2026 in the UK	The ISSB issued its first two sustainability reporting standards on 26 June 2023. This included: • General Requirements for Disclosure of Sustainability-related Financial Information (IFRS S1), the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. • Climate-related Disclosures (IFRS S2), the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities.
IFRS 18 Presentation and Disclosure in Financial Statements effective 1 January 2027	IFRS 18 affects all companies, bringing significant changes to how you present your income statement and what information you need to disclose, and making certain 'non-GAAP' measures part of your audited financial statements for the first time. There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures.

With the exception of IFRS 18 which has not yet been endorsed for use in the UK and impact has yet to be determined, the directors do not expect that the revision or introduction of the Standards listed above will have a material impact on the interim condensed consolidated financial statements in future periods.

(e) Employee benefit trust and Treasury Shares

The Group has established employee benefit trusts ("EBTs") to hold shares to meet the Group's obligation to provide shares awarded to employees under the share incentive plan Shares held by the EBTs are deducted from equity and presented as Treasury Shares until such time that the shares settle.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(f) Going concern

The Directors have assessed the ability of the Company and the Group to continue as going concerns based on the net current asset position, regulatory capital requirements and estimated future cash flows. The Directors have formed the view that the Company and the Group have adequate resources to meet financial obligations as they fall due and to continue in operational existence for a period of at least 12 months from when these interim condensed consolidated financial statements are authorised for issuance. Accordingly, the interim condensed consolidated financial statements of the Company/ Group have been prepared on a going concern basis.

In reaching their conclusions, the Directors also considered the outputs of the 2023 ILAAP, the 2023 ICAAP and the 2023 Recovery Plan which Directors believe are still applicable as at 30 June 2024. Critical to reaching this view were:

i. The output of internal stress assessments which were conducted at Group level and modelled the impact of severe yet plausible stresses which underpinned the 2023 ICAAP assessment.
ii. The output of the Reverse Stress Testing assessment undertaken within the 2023 ICAAP which modelled the scenarios that would have to occur in order for the Group to fall below its Total Capital Requirement (being the aggregate of Pillar 1 and Pillar 2A capital requirements).

Internal Stress Assessments

In total, three stresses were considered:

i. Market & Climate Change Stress which modelled the impacts of a severe global recession which leads to increased credit defaults and widespread credit rating downgrades, a low interest rate environment detrimentally impacting Net Interest Income and £ sharply depreciating against USD which led to material increases in USD denominated Credit Risk Weighted Assets ("RWA").
ii. Idiosyncratic Stress which modelled the impact of a material reduction in revenue driven by idiosyncratic events.
iii. A Combined Stress which modelled the impact of the Market & Climate Stress occurring concurrently with the Idiosyncratic Stress.

In all the stresses noted above the Group maintained sizeable surpluses to Total Capital Requirement.

Reverse Stress Tests

The Reverse Stress tests are used to assess vulnerabilities of the Company/Group and determine what extreme adverse events would cause the business to fail. Where any of these events are deemed to be plausible, the Company/ Group will adopt measures to mitigate the impact of such events where plausible.

The Company/ Group did not identify reasonably possible scenarios which could result in failure to continue in operational existence for a period of 12 months from when these financial statements are authorised for issuance**.**

Conclusion

The Directors are of the view that:

i. There are no material uncertainties relating to events or conditions that cast significant doubt on the Group's ability to continue as a going concern.
ii. There are no material uncertainties to disclose in respect of going concern.

Accordingly, the interim consolidated financial statements have been prepared on a going concern basis.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(g) Earnings per share

Basic earnings per share

Basic earnings per share is calculated on the Group's profit or loss after taxation attributable to the parent entity and based on weighted average of ordinary shares at the end of the period.

Diluted earnings per share

Diluted earnings per share is calculated on the Group's profit or loss after taxation attributable to owners of the parent and based on weighted average of ordinary shares at the end of the period and the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. Performance based employee share options are treated as contingently issuable shares because their issue is contingent upon satisfying specified conditions in addition to the passage of time.

2. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In preparing the interim condensed consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported figures. Other than the judgement on Incremental Borrowing Rate ("IBR") and commencement date disclosed below, management assessed that there were no other material changes in the current period to the critical accounting estimates and judgements, as disclosed in Note 2 in the 2023 Annual Report and Financial Statements.

2.1 Judgement on IBR

The London Bridge Office Building lease agreement was completed on 25 January 2024 and the office space became available for use in April 2024 resulting in recognition of a right of use ("ROU") of asset of and a lease liability. There was no interest rate implicit in this lease agreement, therefore, management carefully considered the guidance within IFRS 16, and calculated an Incremental Borrowing Rate ("IBR") of 7.06% by determining:

- an appropriate corporate bond yield (5.89%) being the average of five specific corporate bonds which (i) had a tenor similar to the weighted tenor of the London Bridge lease (two bonds) and (ii) had a credit rating similar to CAB (BB) 's credit rating and with a maturity date close to that of the weighted tenor of the London bridge lease agreement (three bonds).
  and adding
- an asset specific adjustment (1.17%) which relates particularly to the asset being leased and is based on prime vs secondary office properties margins data published by the CASS Business School UK Commercial Property Lending Report.

2.2 Judgement on Commencement Date

IFRS 16 Appendix A states that the commencement date is the date on which a lessor makes an underlying asset available for use by a lessee. Although the lease agreement was completed on 25 January 2024, management have taken the judgement that the commencement date of the London Bridge office building lease agreement is 25 April 2024 as this is the date the office space became available for use to the Group.

3. SEGMENT REPORTING

Operating segments are determined by the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Group's Executive Committee. The information regularly reported to the Executive Committee for the purposes of resource allocation and the assessment of performance, is based wholly on the overall activities of the Group. Based on the Group's business model, the Group has determined that it has only one reportable segment of continuing operations.

The CODM assess the profitability of the segment based on a measure of EBITDA defined as follows:

- EBITDA - Calculated as Profit before Tax and IFRS 16 lease liability interest, depreciation and amortisation. Although it is typical to calculate EBITDA before interest, our net interest income is generated from operational client deposits and subsequent re-investment to generate returns for the shareholder and therefore remains included within EBITDA.

All revenue from external customers is generated through its operations located in the UK and on that basis is wholly attributable to the UK. All non-current assets, other than certain financial instruments, loans to banks and deferred tax assets, are located in the UK.

Income

The Group derives its income from continuing and discontinued operations as follows:

Six months ended 30 June 2024 **Income by Business Line**	**Continuing operations** **£'000**	**Discontinued operations** **£'000**	**Total** **£'000**
FX	22,850	-	22,850

Payments	14,861	-	14,861
Banking services and other income	18,028	-	18,028
Total income, net of interest expense	**55,739**	**-**	**55,739**

Six months ended 30 June 2023 Income by Business Line	**Continuing operations £'000**	**Discontinued operations £'000**	**Total £'000**
FX	37,944	4	37,948
Payments	17,113	855	17,968
Banking services and other income	16,755	68	16,823
Total income, net of interest expense	**71,812**	**927**	**72,739**

FX: The Group's FX revenue is derived from the difference between the exchange rate the Group makes available to its customers and the rate that it receives from one or more liquidity providers from whom it sources the relevant currency. Revenue categorised as FX is from customers with a need to exchange a bulk amount from one currency for another without onward payment to another party. The Group's FX revenue also comprise:

- Fair value gains or losses on foreign exchange derivative financial instruments mandatorily held at fair value through profit or loss.
- FX adjustments from remeasurement of non-sterling balances at period end.

Payments: The Group's payments revenue includes cross currency payments, same currency payments (corresponding activity income and account management fees), pension payments and platform revenue. Cross currency payments comprise margin derived from bid-ask spreads on foreign currency conversion and fees paid by customers to transfer money from one country to another to third parties.

3. SEGMENT REPORTING (continued)

Payments (continued): Same currency payments relates to services provided for payments transacted without an exchange of foreign currency largely relating to major market currency clearing and includes fees for account management activities and payments execution. Pension payments fees relate to amounts earned on processing of pension scheme foreign currency payments. Platform revenue relates to recurring fixed fees rather than fees earned on transaction volumes.

Banking Services: The Group also generates income from trade finance, liquidity services (including trade finance and letters of credit), and risk management consulting fees. The Group takes customer funds earmarked for other needs as customer deposits and makes short-term investment in the money market to generate net interest income.

Seasonality

Historically, income has been higher in the second half of each year, with the exception of 2023, primarily due to the headwinds experienced across the key currencies. In 2024, we expect revenues to return to the historic 40%/60% H1/H2 seasonality trend, with second-half uplifts driven by seasonality of payment flows from the existing client base and strategic initiatives put in place during Q2.

Profitability

The Group measures profitability for the reporting segment on an EBITDA basis. EBITDA is useful as a measure of comparative operating performance between both previous periods, and other companies as it removes the effect of taxation, depreciation and amortisation as well as items relating to capital structure.

Reconciliation of Profit before tax to EBITDA Six months ended 30 June 2024	**Continuing operations £'000**	**Discontinued Operations £'000**	**Total £'000**
Profit before tax	**13,673**	**-**	**13,673**
Adjusted for:		-	
Interest expenses on lease liabilities (Note 4)	227	-	227

Amortisation (Note 7)	2,826	-	2,826
Depreciation[1] (Note 7)	943	-	943
EBITDA	**17,669**	**-**	**17,669**

Reconciliation of Profit before tax to EBITDA Six months ended 30 June 2023	Continuing operations £'000	Discontinued Operations £'000	Total £'000
Profit / (loss) before tax	**23,794**	**(219)**	**23,575**
Adjusted for:			
Interest expenses on lease liabilities (Note 4)	34	-	34
Amortisation (Note 7)	2,372	13	2,385
Depreciation[1] (Note 7)	636	-	636
EBITDA	**26,836**	**(206)**	**26,630**

[1] Balance includes depreciation on property plant and equipment and depreciation on right of use of asset.

4. NET INTEREST INCOME

	Six months ended 30 June	
Interest income	**2024 £'000**	2023 £'000
Interest on cash and balances at central banks	14,505	13,424
Interest on loans and advances	6,058	2,632
Interest on letters of credit	476	-
Interest on investment in debt securities	7,586	7,625
Other interest income and similar income[1]	72	82
Interest income	**28,697**	**23,763**
Interest expense		
Interest on financial liabilities at amortised cost	(19,283)	(12,646)
Interest expense on lease liabilities	(227)	(34)
Other interest expense[1]	(111)	(44)
Interest expense	**(19,621)**	**(12,724)**
Total net interest income	**9,076**	**11,039**

[1] Other interest income and similar income and other interest expense are interest received, interest accrued or interest paid on the collateral balances paid to or received from our FX Swap counterparties.

5. FEES AND COMMISSION INCOME

	Six months ended 30 June	
	2024 £'000	2023 £'000
Fees and commissions income:		
Account management and payments	6,575	5,764
Pension payment fees	784	527
Trade finance	571	327
Electronic platform fees	160	363
Total fees and commission income	**8,090**	**6,981**

At 30 June 2024, the Group held on its consolidated statement of financial position £946k (at 31 December 2023: £531k) of accrued income in respect of services provided to customers and £29k (at 30 June 2023: £42k) of deferred income (entirely recognised within 6 months) in respect of amounts received from customers for services to be provided after the period end.

6. NET FOREIGN EXCHANGE GAIN

	Six months ended 30 June	
	2024 **£'000**	2023 £'000
Profit on settlement of foreign exchange contracts, fair value gains on derivatives[1] and remeasurement of non-sterling balances	22,850	37,944
Foreign exchange gains on payment transaction revenue	6,998	10,208
Total	**29,848**	**48,152**

[1] Foreign exchange derivative financial instruments are mandatorily held at fair value through profit or loss and this balance relates to unrealised gain/(loss) during the period. As noted in Note 12 the derivatives have been transacted to economically hedge assets and liabilities in foreign currencies. The Group does not trade in derivates.

7. OPERATING EXPENSES

	Six months ended 30 June	
Operating Expenses:	**2024** **£'000**	2023 £'000
Staff costs and directors' emoluments:		
Salaries and bonuses	18,740	16,615
Share based payments	520	1,024
Social security costs	2,401	1,880
Pension costs	1,345	994
Depreciation and amortisation:		
Amortisation of intangible assets (Note 17)	2,826	2,372
Depreciation of property, plant and equipment (Note 15)	423	414
Depreciation charge for right-of-use assets (Note 16)	520	222
Other expenses		
Low-value lease expenses	30	19
Clearing costs	1,154	928
Other bank charges	1,555	1,319
Software support/ licenses	3,698	2,634
Process automation costs	1,053	1,000
Professional fees	1,155	1,084
Irrecoverable VAT	319	545
Other operating expenses	6,271	4,149
Total recurring operating expenses	**42,010**	**35,199**
Non-recurring operating expenses	412	13,140
Total operating expenses	**42,422**	**48,339**

7. OPERATING EXPENSES (continued)

A. Number of employees

7. Number of employees

The monthly average number of full-time equivalent staff employed within the Group, including executive directors for the six months ended 30 June 2024 was 415 (six months ended 30 June 2023: 313).

Average number of persons employed by legal entity

	Six months ended 30 June	
	2024	**2023**
Crown Agents Bank Limited	400	304
CAB US Inc (previously Segovia Technology Company)	6	6
CAB Europe BV	9	3
	415	**313**

8. TAX EXPENSE

Analysis of tax charge for the period

	Six months ended 30 June	
	2024 £'000	2023 £'000
Current tax		
Corporation tax based on the taxable profit for the period	1,319	8,913
Total current income tax for the period	**1,319**	**8,913**
Deferred tax		
Deferred tax credit in profit or loss	2,113	126
Total deferred tax expense for the period	**2,113**	**126**
Total tax expense for the period	**3,432**	**9,039**

The income tax expense for the period is based on an estimate of the annual effective tax rate expected for the full year which is then applied to the pre-tax income of the six-month period.

The effective tax rate for the six months ended 30 June 2024 is 25.1% (six months ended 30 June 2023: 38%).

9. CASH AND BALANCES AT CENTRAL BANKS

	As at 30 June 2024	As at 31 December 2023
	£'000	£'000
Cash and balances at central banks	499,725	528,396
Less: Impairment loss allowance	-	-
Cash and balances at central banks	**499,725**	**528,396**
Component of cash and balances included in Interim condensed statement of cashflow under:	**As at 30 June 2024**	As at 30 June 2023
	£'000	£'000
Cash balances at central banks	**499,725**	**577,572**

Cash and balances at central banks include no encumbered assets (at 31 December 2023 - £nil). There are no restricted amounts within cash and balances at central banks. The cash and bank balance at central banks is measured at amortised cost as the exposure meets the Solely Payment of Principal and Interest ('SPPI') criterion and is held to collect the contractual cashflows.

The carrying amount of these assets is approximately equal to their fair value.

10. MONEY MARKET FUNDS

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Open ended investment companies		
Goldman Sachs USD Treasury Liquid Reserves Fund	274,684	380,805
Black Rock ICS USD Liquidity Fund	79,490	98,566
JP Morgan USD Liquidity LVNAV Fund	15,893	39,393
BlackRock ICS US Treasury Fund Class Premier Distributing USD	20,017	-
	390,084	**518,764**
Component of money market funds included in Interim condensed consolidated statement of cashflows under:	**As at 30 June 2024 £'000**	As at 30 June 2023 £'000
Cash and cash equivalent balances	**390,084**	**164,982**

Money market funds are mandatorily held at fair value through profit or loss as they do not satisfy the SPPI criterion set out in IFRS 9. The funds are all rated AAA (as at 30 June 2023 and 30 June 2024) based on a basket of credit ratings agencies, all approved by the Financial Conduct Authority.

Refer to Note 28 on fair value measurements for further details.

11. LOANS AND ADVANCES

Loans and advances are measured at amortised cost as they meet the SPPI criterion and are held to collect the contractual cashflows:

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Loans and advances		
Loans and advances on demand to banks	130,729	135,203
Other loans and advances to banks	198,311	137,597
Other loans and advances to non-banks	8,528	8,712
Total	**337,568**	**281,512**
Less: Impairment loss allowance		
Loans and advances on demand to banks	(14)	(25)
Other loans and advances to banks	(24)	(27)
Other loans and advances to non-banks	(260)	(496)
Total	**(298)**	**(548)**
Net Loans and advances on demand to banks	130,715	135,178
Net Other loans and advances to banks	198,287	137,570
Net Other loans and advances to non-banks	8,268	8,216
Net loans and advances	**337,270**	**280,964**
Component of loans and advances included in the interim condensed consolidated statement of cashflows under:	**As at 30 June 2024 £'000**	As at 30 June 2023 £'000
Cash and cash equivalents	130,715	107,917
Total	**130,715**	**107,917**

The Group's loans and advances on demand to banks include £2k of encumbered assets (at 31 December 2023: £8,264k) in relation to derivative contracts with other financial institutions and the balance is not overdue.

12. DERIVATIVE FINANCIAL INSTRUMENTS

At 30 June 2024 the derivative assets and liabilities are set out below, these are held to manage foreign currency exposure and are not designated in hedge accounting relationships for risk management purposes:

Foreign Exchange Forwards:	Notional Principal £'000	Assets £'000	Liabilities £'000
As at 30 June 2024	840,173	4,083	1,254
As at 31 December 2023	711,098	3,829	9,679

The forward foreign exchange contracts have been transacted to economically hedge assets and liabilities in foreign currencies. The fair value gain at the statement of financial position date is £2,829k (at 31 December 2023: fair value loss £5,850k). These derivative financial instruments and the underlying transactions they hedge will mature during 2025 (at 31 December 2023: mature during 2024).

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but were not offset in the statement of financial position, as at 30 June 2024 and as at 31 December 2023. The column 'net amount' shows the impact on the Group's balance sheet if all set-off rights were exercised.

As at 30 June 2024 £'000	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subjected on master netting arrangements[1]	Net amount
Financial assets					
Derivative assets	4,083	-	4,083	3,656	427
Financial liabilities					
Derivative liabilities	1,254	-	1,254	114	1,140

As at 31 December 2023 £'000	Gross amounts	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subjected on master netting arrangements[1]	Net amount
Financial assets					
Derivative assets	3,829	-	3,829	736	3,093
Financial liabilities					
Derivative liabilities	9,679	-	9,679	8,387	1,292

1 Agreements with derivative counterparties are based on an ISDA Master Agreement and other similar master netting arrangement with other counterparties. Under the terms of these arrangements, only where certain credit events occur (such as termination of the contract or default of the other party), will the net position owing / receivable to a single counterparty in the same currency be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet but have been presented separately in the table above.

The fair value of a derivative contract represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price).

13. INVESTMENT IN DEBT SECURITIES

The Group's investment in debt securities consists of fixed rate bonds issued (or guaranteed) by central and private banks and floating rate notes. Investments in debt securities are measured at amortised costs as they meet the SPPI criterion and are held to collect the contractual cashflows.

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Investment in debt securities at amortised costs		
Balance at the beginning of the period	**353,028**	**414,061**
Purchases	132,690	484,208
Redemptions	(170,660)	(521,161)
Exchange gains/(losses)	1,112	(19,776)
Movement in discount/premium and accrued interest receivable	849	(4,290)
	317,019	**353,042**
Less: Impairment loss allowance	(8)	(14)
Balance at the end of the period	**317,011**	**353,028**

Refer to Note 28 on fair value measurements for further details.

14. OTHER ASSETS AND UNSETTLED TRANSACTIONS

A. Other assets

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Financial assets:		
Balances with mobile network operators[1]	1,285	3,164
Staff loans	349	335
Transactions debited by third party nostro provider[2]	1,544	1,996
Other assets	1,080	262
Less: impairment loss	(44)	(36)
Total	**4,214**	**5,721**
Non-financial assets:		
VAT refund	1,853	1,994
Corporation tax receivable	10,012	-
Prepayments	2,909	3,429
Deferred tax	160	56
	14,934	**5,479**
Total other assets	**19,148**	**11,200**

Financial assets are measured at amortised cost as they meet the SPPI criterion and are held to collect the contractual cashflows.

[1] Balances with mobile network operators ("MNOs") are due to the Group in respect of mobile money transfers. The Group charges fees for services it provides to aid transfer of funds by its clients to beneficiaries via mobile money using MNOs. These balances are funds with the MNOs which have yet to be transferred to beneficiaries.

[2] These balances represent amounts that are debited in advance by third party nostro providers at period end and funds paid/deducted in error.

B. Unsettled transactions:

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Unsettled transactions[3]	29,068	8,417

[3] Unsettled foreign currency transactions that are delayed due to time differences, public holidays in other countries (where the counterparties are located) or similar operational reasons. The arising balances are short-term in nature (typically less than four days) and were settled early in the following period.

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £'000	Computer Equipment[1] £'000	Fixtures & Fittings[2] £'000	Total £'000
Cost				
At 1 January 2024	122	2,789	2,275	5,186
Additions	-	1,270	943	2,213
At 30 June 2024	122	4,059	3,218	7,399
Accumulated depreciation				
At 1 January 2024	111	1,907	1,977	3,995
Charge to profit or loss	11	223	189	423
At 30 June 2024	122	2,130	2,166	4,418
Net book value				
At 1 January 2024	**11**	**882**	**298**	**1,191**
At 30 June 2024	**-**	**1,929**	**1,052**	**2,981**

[1] Includes mobile phones.

[2] Includes artwork.

The Directors assess property and plant for indicators of impairment at least annually, or when there is an indicator of impairment. The recoverable amount of the business is significantly higher than the carrying amount of the net assets and there were no indicators of impairment identified during the period. Therefore, no impairment charge was taken in the period.

16. LEASES (Group as a lessee)

The Group has recognised right-of-use ("ROU") assets and lease liabilities for its property leases which have been accounted for as individual assets and liabilities. The discounts used are the incremental borrowing rates in the range of 2.14% - 8.99%.

The Group makes monthly/quarterly fixed payments in advance, to the lessors for the use of the properties, and there are no variable payments. The property leases have lease incentives, with the lease incentive receivable being deducted from the future lease payments.

The services provided by the lessors, such as cleaning, security, maintenance, and utilities, as part of the contract, are components which are not included in the ROU calculation and have been expensed in 'Other operating expenses' line item in Note 7. These expenses amount to £500k (six months ended 30 June 2023: £201k).

Dilapidation costs (restoration cost) of £1,273k (six months ended June 2023: nil) were added to the ROU at initial recognition and the Dilapidation provision as at 30 June 2024 amounts to £1,287k (as at 30 June 2023: nil).

The Group's leases of low value fixtures and equipment are expensed in 'Other operating expenses' line item in Note 7 on a straight-line basis (see accounting policy in Note 1 for leases). These amounted to £30k (six months ended 30 June 2023: £19k).

16. LEASES (Group as a lessee) (continued)

There were no short-term leases during the period (six months ended 30 June 2023: nil).

The lease terms cover only the non-cancellable lease term. There are no purchase, extension, or termination options and residual guarantees in the leases.

There are also no restrictions or covenants imposed by the leases.

The lease interest payments charged as an expense for the period totalled £227k (six months ended 30 June 2023: £34k).

The Group had no lease payments under non-cancellable lease during the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

A. Right of use assets

All the Group's right-of-use assets are non-current assets. The Group's right-of-use assets as at 30 June 2024 and 31 December 2023 is shown below:

	Leasehold property[1] £'000
Cost	
At 1 January 2024	1,760
Additions²	17,537
At 30 June 2024	**19,297**
Accumulated depreciation	
At 1 January 2024	1,071
Charge to profit or loss	520
At 30 June 2024	**1,591**

Net book value	
At 30 June 2024	**17,706**
At 31 December 2023	689

[1] There is only one class of right-of-use assets which are the property leases.

[2] This relates to the lease of office space at 3 London Bridge, SE1 9SG, London commenced during the period.

16. LEASES (Group as a lessee) (continued)

B. Lease liabilities

A reconciliation of the Group's remaining lease liabilities as at 30 June 2024 and 31 December 2023 are shown below:

	Leasehold property £'000
Lease liabilities as at 1 January 2024/31 December 2023	884
Additions during the period	16,318
Disposal during the period	(87)
Payments during the period	(264)
Add: Interest on lease liabilities	212
At 30 June 2024	**17,063**

There were no variable lease payments expenses in the reporting period (six months ended 30 June 2023: nil).

The analysis of the Group's lease liabilities as at 30 June 2024 and as at 31 December 2023 between current and non-current liabilities is as follows:

	As at 30 June 2024 £'000	**As at 31 December 2023 £'000**
Current	1,326	372
Non-current	15,737	512
Lease liabilities	**17,063**	**884**

C. Impact on the profit and loss

The following are the amounts recognised in profit or loss:

	Six months ended 30 June	
	2024 £'000	2023 £'000
Depreciation expense of right-of-use assets (Note 7)	520	222
Interest expense on lease liabilities (Note 4)	227	34
Expense relating to leases of low-value assets (Note 7)	30	19
Total amount recognised in profit or loss	**777**	**275**

The Group had total cash outflows for the period for all leases of £264k (six months ended 30 June 2023: £202k).

17. INTANGIBLE ASSETS

	Goodwill £'000	Core Accounting Software £'000	Other Software £'000	Brand/ Other £'000	Total £'000
Cost					
At 1 January 2024	5,919	5,872	31,653	1,483	44,927
Additions	-	74	6,739	-	6,813
Reclassification of software from core to non-core	-	(805)	805	-	-
Exchange rate loss	-	-	23	-	23
At 30 June 2024	**5,919**	**5,141**	**39,220**	**1,483**	**51,763**
Accumulated amortisation and impairment					
At 1 January 2024	-	4,428	16,038	167	20,633
Charged in the period	-	168	2,632	26	2,826
Reclassification of software amortisation from core to non-core	-	(308)	308		-
Exchange rate loss	-	-	23	-	23
At 30 June 2024	**-**	**4,288**	**19,001**	**193**	**23,482**
Net book value					
At 1 January 2024/31 December 2023	**5,919**	**1,444**	**15,615**	**1,316**	**24,294**
At 30 June 2024	**5,919**	**853**	**20,219**	**1,290**	**28,281**

The Directors treat the business as a single cash-generating unit for the purposes of testing goodwill for impairment. The recoverable amount of goodwill was calculated by reference to the business estimated value-in-use. The inputs and assumptions used in the calculation of the value in use at year-end (and the sensitivity analysis) were assessed as reasonable and appropriate for the purposes of interim financial reporting, because since the year-end there have been no significant changes resulting in the need for an impairment. Therefore, no impairment charge was taken during the period.

18. CUSTOMER ACCOUNTS

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Repayable on demand	629,581	785,316
Other customers' accounts with agreed maturity dates or periods of notice by residual maturity repayable:		
3 months or less	722,404	670,901
1 year or less but over 3 months	94,050	81,020
2 years or less but over 1 year	-	5,652
	1,446,035	**1,542,889**

Customer accounts are accounts that customers hold with the Group. The Group is transaction led and does not borrow to finance lending. A substantial proportion of customer accounts are current accounts which, although repayable on demand, have historically formed a stable deposit base.

19. UNSETTLED TRANSACTIONS, ACCRUALS AND OTHER LIABILITIES

A. Other liabilities

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Financial liabilities		
Trade creditors	1,194	2,041
Funds received in advance	4,384	3,327
Transactions credited by third party nostro providers[1]	1,491	159
Other creditors	1,464	696
Overdrawn bank accounts	174	-
	8,707	**6,223**

Non -financial liabilities	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Tax liabilities	543	1,816
Deferred income²	37	82
	580	**1,898**
Total other liabilities	**9,287**	**8,121**

[1] These balances represent amounts that were incorrectly credited by third party nostro providers.

[2] Deferred income relates to payments that are received from customers before the services are provided to customers.

B. Unsettled transactions

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Unsettled transactions[3]	**16,013**	20,081

[3] Unsettled transactions result from foreign exchange transactions that are delayed due to time differences, public holidays in other countries (where the counterparties are located) or similar operational reasons. The arising balances are short-term in nature (typically less than four days) and were settled shortly after the balance sheet date.

C. Accruals

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Accruals[4]	**11,894**	18,367

[4]Accruals comprise various balances which have not yet been invoiced for goods received or services provided e.g. audit fees, bank charges, professional fees and payroll accruals.

20. PROVISIONS

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Expected credit loss:		
Financial guarantee liability	7	2
Liability for letter of credit confirmations / bill acceptances	4	6
Liquidity as a service (LaaS) - undrawn commitments	52	228
ECL provision for off balance sheet balances	63	236
Dilapidation provision for the London Bridge Lease	1,287	-
Total provision	**1,350**	**236**

i. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument. The Group provides financial guarantees to multiple counterparties The Group received premiums of £17k (six months ended 30 June 2023: £58k).

ii. Letter of credit confirmations / bill acceptances *ii. Letter of credit confirmations / bill acceptances*

Letter of credit confirmation / acceptance is a letter from an issuing bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount. The Group confirmed the letters of credit issued by an issuing bank and charged fixed fees, which are received either in advance or at a later date. The Group provides these acceptances to multiple counterparties. The Group received premiums of £334k (six months ended 30 June 2023: £572k).

The uncertainties relating to the amount or timing of any outflow are those inherent within the products concerned, notably that the relevant counterparty will not carry out its obligations. At 30 June 2024, cash collateral of £39,155 (at 31 December 2023: £44,588k) was held by the Group in respect of the assets underlying financial guarantees and letter of credits noted above. These are not restricted cash and are available for use by the Group.

iii. Liquidity as a service ("LaaS") - undrawn commitments

LaaS is a credit facility offered by the Group to its customers that allows customers to draw down on the facility on satisfaction of the terms of this facility. The Group charges facility fees for consideration of providing this facility. The Group provides this facility to multiple counterparties. The Group received facility fees of £nil (six months ended 30 June 2023: £ 52k).

21. TREASURY SHARES

In January 2024, via the EBTs, the Group acquired a total of 280,090 shares (at 31 December 2023: nil) from the market at an average cost of £0.864 per share as part of its employee share incentive scheme. As at 30 June 2024 a total of £242k has been recognised against equity. The market value of these shares as at 30 June 2024 is £286k. Directly attributable costs of £nil (at 31 December 2023: nil) have been expensed to equity.

22. RETAINED EARNINGS

	£'000
Balance at 1 January 2023	**40,179**
Profit for the year	22,713
Share capital reduction	67,936
Dividends declared	(11,300)
Share based payment expense	1,313
Acquisition of NCI	7,530
Capital injection	3,661
Issuance of new shares	(11)
Change in ownership interest in subsidiary	(543)
Balance at 31 December 2023/ 1 January 2024	**131,478**
Profit for the period	10,241
Share based payment expense	520
Stamp duty refund	38

Balance at 30 June 2024	**142,277**

23. CALLED UP SHARE CAPITAL

	As at 30 June 2024 '000	As at 31 December 2023 '000
Number of ordinary shares		
Authorised, allotted, issued, and fully paid (Ordinary Shares)	254,143	254,143
	As at 30 June 2024	As at 31 December 2023
Ordinary share balances	£'000	£'000
Authorised, allotted, issued, and fully paid (Ordinary Shares)	85	85

24. NOTES TO THE STATEMENT OF CASH FLOWS

A. Reconciliation of profit before taxation to net cash outflow from operating activities

	Notes	Six months ended 30 June 2024 £'000	Restated 2023 £'000
Profit / (loss) before taxation		**13,673**	**23,575**
Continuing operations		13,673	23,794
Discontinued operations		-	(219)
Adjusted for non-cash items			
Effect of currency exchange rate change[1]		(7,944)	(13,447)
Effect of other mark to market revaluations		20	
Amortisation	17	2,826	2,402
Depreciation		943	636
- Right-of-use of assets	16	520	222
- Property, plant and equipment	15	423	414
Share based payment charge	7	520	1,024
Loss on write-off of intangible assets		-	299
Profit on disposal of discontinued operations		-	(68)
Interest accrued on lease liabilities	16	212	34
Other non-cash expenses		-	1,045
		10,250	**15,500**
Changes in working capital			
Net (increase)/decrease in loans and advances to banks other than on demand[1]		(61,136)	12,342
Net decrease in customer accounts[1]		(95,156)	(7,841)
Net decrease/(increase) in investment in debt securities[1]		36,285	(34,393)
Net decrease in other loans and advances to non-banks[1]		146	7,058
Net increase in unsettled transactions		(24,719)	(15,232)
Net increase in other assets		(7,949)	(1,003)
Net increase in other liabilities		8,909	8,849
Net decrease in lease liabilities		(1,095)	(168)
Net (increase)/ decrease in accrued income		(633)	872
Net decrease in accruals, provisions, and deferred tax		(3,246)	(5,373)
Net cash generated/(outflow) from operating activities[1,2]		**(138,344)**	**(19,389)**

1 See restatements in Note D below.

2 Cash flows from operating activities include interest received of £30,757k (six months ended 2023: £24,185k) and interest paid of £15,474k (six months ended 2023: £10,187k).

24. NOTES TO THE STATEMENT OF CASH FLOWS (continued)

B. Non-cash transactions - lease liability/ right-of-use asset

Non-cash transactions from investing activities for the Group during the period include acquisition of right-of-use assets amounting to £17,537k (six months ended 30 June 2023: £nil). Refer to Note 16.

C. Changes in liabilities arising from financing activities

The Group's changes in lease liabilities are in Note 16. There are no other changes in liabilities from financing activities.

D. Restatement of prior period balances

A number of 2023 cash flow balances have been restated as follows:

Notes to the statement of cash flows	Previously reported £'000	Prior Period Adjustments £'000					Restated £'000
		Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	
Non-cash items							
Effect of currency exchange rate changes	(15,812)	2,365	-	-	-		(13,447)
Other non-cash expenses	-	-	1,045	-	-		1,045
Changes in working capital							
Net (increase)/decrease in loans and advances to banks other than on demand	11,125	1,217	-	-	-		12,342
Net decrease in customer accounts	(1,736)	(6,105)	-	-	-		(7,841)
Net increase in investment in debt securities	(36,370)	1,977	-	-	-		(34,393)
Net (increase) / decrease in unsettled transactions	(12,426)	-	-	-	(2,806)	-	(15,232)
Net increase in other assets	(3,809)	-	-	-	2,806	-	(1,003)
Net (decrease)/increase in other liabilities	7,075	-	-	1,606	-	168	8,849
Net decrease in lease liabilities	-	-	-	-	-	(168)	(168)
Net cash outflow from operating activities	(21,494)	(546)	1,045	1,606	-		(19,389)
Consolidated statement of cash flows for the six months ended 30 June 2023							
Net cash outflow from operating activities	(21,494)	(546)	1,045	1,606	-		(19,389)
Net cash used in operating activities	(31,308)	(546)	1,045	1,606	-		(29,203)
Proceeds from shares issued to non-controlling interests/	3,626	-	(1,045)	(1,606)	-		975
Net cash flow from financing activities	(9,305)	-	(1,045)	(1,606)	-		(11,956)
Net decrease in cash and cash equivalents	(40,944)	(546)	-	-	-		(41,490)
Effect of exchange rate changes on cash and cash equivalents	(15,638)	546	-	-	-		(15,092)

Adjustments included previously in 31 December 2023 accounts

Adjustment 1: In H2 2023, the Group has implemented an improved approach to capturing unrealised FX gains and losses which under IAS 7 are not deemed to be cash flows. As a result, the prior period balances relating to the consolidated statement of cash flows for the period ended 30 June 2023, and related notes have been restated accordingly.

Adjustment 2: Bonuses were transferred internally in relation to the purchase of shares of a subsidiary. As a result, there was no cash movement.

Adjustment 3: Prior year bonuses were transferred internally in relation to the purchase of shares of a subsidiary. As a result, there was no cash movement.

Adjustment 4: Late receipts were previously categorised within Other Assets and have now been included within Unsettled Transactions.

Other/new adjustments

Adjustment 5: The movement in the Lease Liability has now been analysed out separately. Previously, it was included in the cash flow statement under movements in Other Liabilities.

25. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share at reporting date is based on the following data:

	Six months ended 30 June

	Six months ended 30 June	
	2024	2023
	£'000	£'000
Earnings /(losses) attributable to owners of the Group:		
Continuing operations	10,241	13,731
Discontinued operations	-	(153)
	10,241	**13,578**

Weighted average number of ordinary shares	**Six months ended 30 June**	
	2024	2023
	'000	'000
Weighted average number of ordinary shares for basic earnings per share	**254,143**	**221,739**
Potential dilutive ordinary shares from the 2023 LTIP Scheme[1]	1,142	**-**
Weighted average number of ordinary shares for diluted earnings per share	**255,285**	**221,739**

[1] Current forecasts indicate that there will be no dilution effective from the 2024 LTIP scheme and therefore, these have not been included in the calculation of the number of ordinary shares for the diluted earnings per share.

The number of potential dilutive ordinary shares arising from the 2023 LTIP Scheme is small relative to the total number of ordinary shares in issue at the end of the period, therefore, the basic and diluted earnings per share numbers are similar. The basic and diluted earnings per share are as follows:

	Six months ended 30 June	
	2024	2023
	pence	pence
Basic and diluted earnings per share		
Continuing operations	4.0	6.2
Discontinued operations	-	(0.1)
Total basic and diluted EPS attributable to owners of the Company	**4.0**	**6.1**

26. RELATED PARTY TRANSACTIONS

The related party transactions (which were all at arm's length and were transacted at market prices) are as follows:

A. As at 30 June 2024, the Group had one related party balance with a company outside the Group (at 31 December 2023: two) as follows:

(i) £162k (at 31 December 2023: £129k), payable to Helios Investors Genpar III LP. The amount relates to the outstanding balance of a director's fees payable by CAB. No interest accrues on the outstanding amount. Helios Investors Genpar III LP continues to have indirect significant influence over the Company as at 30 June 2024.

B . There were no banking services provided to related parties during the period. A Group company provided banking services to connected parties with income earned in 2023 as follows:

Six months ended 30 June 2023	**Net foreign exchange gain £'000**	**Net interest income £'000**	**Total £'000**
Helios Investors Genpar III LP	1	-	1
	1	**-**	**1**

C. Directors and key management loans

Across the Group there were loans outstanding to directors and key management at the period-end as follows:

	As at 30 June 2024		**As at 31 December 2023**	
	No	**£'000**	No.	£'000

Directors				
As at 1 Jan	1	335	3	159
Repaid	-	-	(3)	(159)
Director's resignation	(1)	(335)	-	-
Advanced	-	-	1	335
As at period end	-	-	1	335
Key Management				
As at 1 Jan	-	-	8	252
Repaid	-	-	(8)	(252)
As at period end	-	-	-	-

The loans repaid in 2023 accrued interest at the HMRC stipulated interest rate but only on balances in excess of £10,000.

The Director's loan advanced in 2023 was to the CEO of the Group at that time, Bhairav Trivedi, and is repayable on the occurrence of the earliest of a number of events. The loan accrues interest monthly at the HMRC stipulated rate on the entire balance and the interest is due for repayment when the loan is repaid. Since Bhairav ceased to be a director in H1 2024, the outstanding amount is no longer classified as a Director's loan. The period end balance excludes accrued interest totalling £nil (as at 31 December 2023 - £5k).

There was no impairment of the loans owed by these related parties (2023: nil). The ECL for all such loans was assessed as immaterial as at 30 June 2024 and 31 December 2023.

26. RELATED PARTY TRANSACTIONS (continued)

D. Remuneration of key management personnel (including directors)

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	Six months ended 30 June	
	2024 **£'000**	2023 £'000
Short-term employee benefits (including bonuses and NICs Ers)	2,426	2,863
Post-employment benefits	114	55
Share based payments	238	393
Total remuneration	**2,778**	**3,311**

Included in the aggregate emoluments above, the Group has made contributions of £48k (six months ended 30 June 2023: £36k) on behalf of two directors (six months ended 30 June 2023: two) to a defined contribution pension scheme. No retirement benefits accrued for any director (six months ended 30 June 2023: none) under a defined benefit pension scheme.

The aggregate emoluments (including share-based payment charge) and accrued pension contributions of the highest paid director in the Group were £425k (six months ended 30 June 2023: £310k) and £32k (six months ended 30 June 2023: £25k) respectively.

The aggregate emoluments (Including pension contributions and exit compensation) of the Group's key management personnel (excluding Directors) were £1,773k (six months ended 30 June 2023: £1,578k).

27. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The carrying values of the financial assets and financial liabilities are summarised by category below:

	As at **30 June** **2024** **£'000**	As at 31 December 2023 £'000
Financial assets		
Measured at fair value through profit or loss		
Money market funds	390,084	518,764
Derivative financial instruments - foreign exchange related contracts	4,083	3,829
	394,167	**522,593**

Measured at amortised cost		
Cash and balances at central banks	499,725	528,396
Loans and advances on demand to banks	130,715	135,178
Other loans and advances to banks	198,287	137,570
Other loans and advances to non-banks	8,268	8,216
Investment in debt securities	317,011	353,028
Unsettled transactions[2]	29,068	8,417
Other assets (excluding non-financial assets)	4,214	5,721
Accrued income	1,187	544
	1,188,475	**1,177,070**
Measured at fair value through other comprehensive income		
Investment in equity securities	569	495

27. CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Financial liabilities		
Measured at fair value through profit or loss		
Derivative financial instruments - foreign exchange related contracts	1,254	9,679
	1,254	**9,679**
Measured at amortised cost		
Customer accounts	1,446,035	1,542,889
Unsettled transactions	16,013	20,081
Other liabilities (excluding non-financial liabilities)	8,707	6,223
Lease liabilities	17,063	884
Accruals	11,894	18,367
	1,499,712	**1,588,444**

28. FAIR VALUE MEASUREMENTS

A. Fair value methodology:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, fair values are determined at prices quoted in active markets. In some instances, such price information is not available for all instruments and the Group applies valuation techniques to measure such instruments. These valuation techniques make maximum use of market observable data, but in some cases, management estimate unobservable market inputs within the valuation model. There is no standard model and different assumptions would generate different results. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments that are measured at fair value into the three levels of fair value hierarchy explained further below, based on the lowest level input that is significant to the entire measurement of the instrument.

B. Fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Inputs to Level 1 fair value are quoted prices (unadjusted) in active markets for identical assets. An active market is defined as one where transactions for the asset occur with sufficient frequency and volume to provide pricing information on an on-going basis.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

The fair value of financial instruments not traded in an active market (for example, over-the-counter derivative financial instruments) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2.

Fair values of derivative financial instruments (foreign exchange contracts), money market funds

Fair values of derivative financial instruments (foreign exchange contracts), money market funds, investment in equity securities and investment in debt securities are included in Level 2.

28. FAIR VALUE MEASUREMENTS (continued)

B. Fair value hierarchy (continued)

Money market funds are valued at fair value based on the price a willing buyer would pay for the asset. Any gain or loss is taken through the profit and loss account. The money market funds include contractual terms such that they are traded at par until the total market value of the underlying instruments deviates from that par value by a certain amount (typically 20bps). The funds have each traded at par at all times since the initial investment by the Group.

The fair value of the Group's investment in debt securities is determined by using discounted cash flow models that use market interest rates as at the end of the period.

Level 3 - Unobservable inputs for the asset or liability

Inputs to Level 3 fair values are based on unobservable inputs for the assets as of the last measurement date. If all significant inputs required to determine the fair value of an instrument are observable, then the instrument is included in Level 2, otherwise, it is included in Level 3. The Group did not have any such instruments.

There were no transfers between fair value hierarchy level during the period. There were no changes in valuation techniques used during the period.

C. Financial assets and liabilities through FVTPL and FVTOCI are categorised at Level 2 Fair value hierarchy

Financial assets and financial liabilities at fair value through profit or loss	**Valuation techniques**	**Inputs (including any significant unobservable inputs)**
Derivative financial assets	The Mark-to-Market ("MTM") calculation for foreign currency forwards is performed within Core Banking System ("CBS") based on market inputs pulled from Reuters at the end of each trading day. CBS applies a straight-line interpolation calculation to derive the requisite forward points for each currency based on the maturity date of the transaction - these points are added to the spot rate to derive a revaluation rate.	Reuters quoted spot rates and forward points.
Money market funds	Net asset value based on the valuation of the underlying Level 1 investments.	Quoted market prices but not for identical assets.
Investment in equity securities	Equity investment held in illiquid security. In order to undertake its business, the Group utilises the Swift payment system, the conditions of which oblige participants to invest in the shares of Swift, in proportion to participants' financial contributions to Swift.	The fair value is based on a share price provided by Swift annually.
Derivative financial liabilities	The MTM calculation for FX Forwards is performed within CBS based on market inputs pulled from Reuters at the end of each trading day. CBS applies a straight-line interpolation calculation to derive the requisite forward points for each currency based on the maturity date of the transaction - these points are added to the spot rate to derive a revaluation rate.	Reuters quoted spot rates and forward points.

D. Financial assets and financial liabilities at fair value through profit or loss

Forward foreign exchange contracts have been used to economically hedge assets and liabilities in foreign currencies, with movements recognised at fair value through profit or loss. Any gain or loss is reflected in the interim condensed consolidated statement of profit or loss and other comprehensive income.

28. FAIR VALUE MEASUREMENTS (continued)

E. Fair values of financial assets that are measured at amortised cost

Apart from the fixed rate bonds, the carrying amounts of financial assets and liabilities measured at amortised cost are approximately the same as their fair values due to their short-term nature. The fair value of the fixed rate bonds is provided below.

F. Financial liabilities measured at amortised cost

The carrying amounts of financial liabilities at amortised cost are approximately the same as their fair values due to their short-term nature.

G. Financial instruments measured at fair value

The valuation levels of the financial assets and financial liabilities accounted for at fair value are as follows:

As at 30 June 2024	**Level 2 £'000**	**Stress**	**Sensitivity £'000**
Financial assets at fair value			
- Money market funds	390,084	1% increase in interest rates	(540)
- Derivative financial assets	4,083	£ exchange-rate rise of 1%	(4,241)
- Investment in equity securities	569	Equity price +5%	28
-			
Financial liabilities at fair value			
- Derivative financial liabilities	(1,254)	£ exchange-rate rise of 1%	(149)
	393,482		**(4,902)**

As at 31 December 2023	**Level 1 £'000**	**Stress**	**Sensitivity £'000**
Financial assets at fair value			
- Money market funds	518,764	1% increase in interest rates	(895)
- Derivative financial assets	3,829	£ exchange-rate rise of 1%	(299)
- Investment in equity securities	495	Equity price +5%	24
Financial liabilities at fair value			
- Derivative financial liabilities	(9,679)	£ exchange-rate rise of 1%	(3,390)
	513,409		(4,560)

These are all recurring fair value measurements. There were no financial assets classified as Level 1 and Level 3, and there were no movements between fair value levels.

28. FAIR VALUE MEASUREMENTS (continued)

H. Fair value and carrying amount of investment in debt securities

	As at 30 June 2024 £'000		As at 31 December 2023 £'000	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
Fixed rate bonds				

	As at 30 June 2024 Carrying Value £'000	As at 30 June 2024 Fair Value £'000	As at 31 December 2023 Carrying Value £'000	As at 31 December 2023 Fair Value £'000
- US Treasury Bills (excluding accrued interest)	-	-	7,845	7,775
- Other fixed rate bonds (excluding accrued interest)	314,901	306,500	343,070	342,907
Accrued interest	2,110	2,110	2,113	2,113
Fixed rate bonds	**317,011**	**308,610**	**353,028**	**352,795**

Note: The fair values of the fixed rate bond are based on market quoted prices. They are classified as Level 1 fair values in the fair value hierarchy due to the liquid nature of the bond holdings, having observable and transparent secondary market pricing.

29. CONTINGENT LIABILITIES AND COMMITMENTS

A. CONTINGENT LIABILITIES

The Group does not have any other contingent liabilities at the balance sheet date other than those disclosed in Note 20.

B. COMMITMENTS

i. Capital Commitments

The Group does not have any capital commitments at the balance sheet date (at 31 December 2023: nil) nor any which have been approved but not contracted (at 31 December 2023: nil).

ii. Other Commitments

a) In 2020, the Group entered into a five-year contract to assist with the ongoing automation of manual processes. The following payments are due under the contract:

Payment Due	As at 30 June 2024 £'000	As at 31 December 2023 £'000
Not later than one year	2,260	2,260
Later than one year and not later than five years	753	1,883
	3,013	**4,143**

The total amounts due under the contract are expensed in the interim condensed consolidated statement of profit or loss and other comprehensive income over the life of the contract, in line with the benefits received.

30. SHARE BASED PAYMENT TRANSACTIONS

a. 2023 Long Term Incentive Plan

The Group implemented a long-term incentive plan ("LTIP") in July 2023 to incentivise staff and this was accounted for in accordance with the requirements of IFRS 2.

On 4 June 2024, the Remuneration Committee resolved to amend the performance conditions by (i) withdrawing the Total Shareholder Return ("TSR") condition and (ii) reducing the EPS metrics, which also became applicable to all outstanding awards. The changes were for the outstanding awards held by all participants other than Executive Directors.

In line with requirements of IFRS 2:26-27, this change has been accounted for as a modification of the scheme. The incremental fair value granted, as a result of the modification, had no material impact on the interim consolidated financial statements.

b. 2024 Long Term Incentive Plan

Long Term Incentive Plan ("LTIP") awards were granted to incentivise members of the Executive Committee ("EXCO") and other senior management on 19 June 2024 excluding Executive Directors. The vesting conditions are subject to performance measures over the period from 1 January 2024 to 31 December 2026 relating to relative total shareholder return (33%) and earnings per share (67%). Each measure is assessed independently over the vesting periods. The awards are also subject to a service condition requiring continued employment until the final vesting date of 1 April 2027. The LTIP awards granted are as follows:

LTIP awards granted	**Ordinary Shares subject to LTIP awards Number - '000**
Awards to members of the Executive Committee[1]	1,564
Awards to other senior management	1,448
	3,012

[1] *This excludes the LTIP awards which will be granted to Executive Directors later in 2024. Full details of the level of grants and performance conditions applying to Executive Directors will be provided when the grants are made and reported in the full year accounts.*

All of the awards granted were outstanding at the end of the period.

LTIP awards are subject to a clawback period of three years from the date of grant. Additionally, LTIP awards granted to members of EXCO are subject to a two-year post-vesting holding period.

The fair valuation of these awards had no significant or material impact on the interim consolidated financial statements.

c. Free Shares Award

On 26 March 2024, an award of 1,000 free shares per employee was made under the Share Incentive Plan to eligible employees (defined as those in continuous service since 6 July 2023). Awards were given to 259 employees with a fair value of 95.2p per share, being the closing market price of ordinary shares on the trading date prior to the award date. The awards are subject to a service condition of 12 months from the date of grant.

31. EVENTS AFTER THE REPORTING PERIOD

A. Assignment of Tower 42 office space

The Group assigned the lease agreement for the office space in Tower 42 after 30 June 2024.The related right-of-use asset balance and lease liability balances were consequently derecognised post 30 June 2024.

B. New office lease space (US)

The Group entered into a lease agreement for office space at One Rockefeller Plaza, New York, 10020, during the period. A right-of-use asset balance and a lease liability balance will be recognised in the consolidated statement of financial position for the full year 2024. Interest expense and depreciation will be recognised in the consolidated statement of profit or loss and other comprehensive income over the life of the lease contract, starting from the commencement date which is post reporting period.

The expected cash outflows over the duration of the lease contract amount to £1.3m.

32. BOARD APPROVAL

The interim condensed consolidated financial statements for the period ended 30 June 2024 were approved by the Board of Directors and authorised for issue on 03 September 2024.

Glossary

Adjusted EBITDA	EBITDA before non-recurring operating expenses or exceptional items which have been identified by management
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Gross Income
Adjusted Profit After Tax	Profit After Tax before non-recurring operating expenses or exceptional items identified by management
Admission	The ordinary shares of the Company were admitted to the premium listing segment of the Official List of the FCA and to trading on the Main Market of the London Stock Exchange on 11 July 2023
Alternative Interest Income	Calculated by capturing interest income by source and spreading the interest expense through an internal transfer pricing mechanism
APM	Alternative performance measures, as defined
BAU	Business as usual
B2B	Business to Business
Banking Services	One of the Group's three business lines
BN	A billion, ie 1,000 million
CAB	Crown Agents Bank Limited, a regulated subsidiary of the Group
CAB Payments or the Company	CAB Payments Holdings PLC, the Group's listed holding company
CAIM	Crown Agents Investment Management Limited a wholly owned subsidiary of the Company until it was sold on 31 March 2023
CAPEX	Expenditures made for goods or services that are recorded on a company's balance sheet
CBS	Core Banking System, the Group's banking software
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CODM	Chief Operating Decision Maker
Currency corridor	Specific combinations of sending currency and receiving currency pairs, or, in some cases, country combinations
Directors	Directors of CAB Payments
EBITDA	Profit before tax, IFRS 16 lease liability interest depreciation and amortisation. Although it is typical to calculate EBITDA before interest, our net interest income is generated from operational client deposits and subsequent re-investment to generate returns for the shareholder and therefore remains included within EBITDA
EBT	Employee benefit trust
ECL	Expected credit loss
Emerging Markets	Markets other than G10 or Denmark. When we refer to Emerging Markets income, volume or take rate, they are Wholesale FX or Payment FX where the selling currency is an Emerging Market currency
EMFI	Emerging market financial institutions
EPS	Earnings per share
ERMF	Enterprise Risk Management Framework

ERMF	Enterprise Risk Management Framework
EU	European Union
EUR	Euro
EVP	Corporate title: Executive Vice President
FCA	Financial Conduct Authority
FinTech	Financial Technology
FTEs	Full Time Employees, including temporary contractors and consultants filling in for permanent roles

Glossary (continued)

FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
FX	Foreign Exchange. When referring to the Group's services, it refers to one of the Group's business lines, including the Group's spot foreign exchange trading services
G10	Belgium, Canada, France, Italy, Japan, the Netherlands, the United Kingdom, and the United States, Switzerland and the central banks of Germany and Sweden
GBP	£ sterling
GDP	Gross domestic product
Gross Income	Total income, net of interest expense
Group	CAB Payments Holdings PLC and subsidiaries
HMRC	HM Revenue & Customs
HQLA	High Quality Liquid Assets
IAS	International Accounting Standards
IBR	Incremental Borrowing Rate
ICAAP	Internal Capital Adequacy Assessment Process
IDO	International development organisations
IFRS	UK-adopted international accounting standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IPO	Initial public offering
IRRBB	Interest rate risk in the banking book
ISDA	International Swaps and Derivatives Association
ISSB	International Sustainability Standards Board
KPI	Key performance indicator
LAAS	Liquidity as a service - a credit facility offered by the Group to its customers which allows customers to draw down on the facility on satisfaction of the terms of the facility
LATAM	Latin America region
LCR	Liquidity Coverage Ratio
LTIP	Long term incentive plan
LSE	London Stock Exchange
MN	A million
MNO	Mobile network operator
MTM	Mark to market
NBFI	Non-Bank financial institution
NCI	Non-controlling interest
Netting	The practice of using funds received from one customer to fulfil an order in that same currency from another customer in order to capture both bid and ask spreads on the transaction
NGO	Non-governmental organisation
NGN	Nigerian naira
NIC	National insurance contributions
Nostro	A bank account held by CAB in another country, denominated in a foreign currency
NSFR	Net stable funding ratio

Glossary (continued)

OCI	Other comprehensive income
OECD countries	The 38 member countries of the Organisation for Economic Co-operation and Development
Operating Free Cash Flow	Adjusted EBITDA before the cost of purchasing property, plant and equipment, the cost of intangible asset additions and the cost of lease payments
Operating Free Cash Flow Conversion	Free cash flow as a percentage of Adjusted EBITDA
Payment FX	The margin derived from bid-ask spreads on foreign currency conversion and fees paid by customers to transfer money from one country to another and to third parties
Payments	One of the Group's three business lines
PLC	Public limited company
PPE	Property plant and equipment
PRA	Prudential Regulation Authority
RCSA	Risk control and self-assessment

Revenue	When referring to the Group's financial results means "total income, net of interest expense"
ROU	Right-of-use
RWA	Credit risk weighted assets
SPPI	Solely Payment of Principal and Interest principle under IFRS 9
Strategic Restructuring Costs	Expenses incurred by a company in relation to changes to its strategy. These costs include expenses for contractors supporting the new CEO during a strategic review, as well as dual running costs associated with the CEO transition
Take rate	A combination of the dealing profit (i.e. the spread between any buy / sell of two FX trades undertaken), the margin added to the transaction (i.e. the fee element agreed with the customer for the transaction), and any additional fees charged; and the take rate is calculated as FX and cross-currency payments income divided by FX and cross currency payments volumes
TSR	Total shareholder return
US	United states Of America
USD	US dollar
Wholesale FX	The difference between the exchange rate the Group makes available to its customers and the rate that it receives from one or more liquidity providers from whom it sources the relevant currency. Revenue categorised as wholesale FX is from customers with a need to exchange a bulk amount from one currency for another without onward payment to another party
WTT	Well to tank factors reported under scope 3 emissions representing those that are produced indirectly by the Group
XAF	Central African Franc
XOF	West African Franc

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