

8 April 2025

Equals Group PLC
 ('Equals' or the 'Group')

Final Results and Special Dividend

Equals (AIM:EQLS), the fast-growing payments group focused on the SME marketplace, announces its final results for the year ended 31 December 2024 (the 'year' or 'FY-2024').

FY-2024 Financial Summary

	FY-2024 £ millions	FY-2023 £ millions	Change¹
GAAP Measures:			
Revenue	131.7	95.7	+38%
% of revenue from B2B ²	86%	84%	
Gross profit	73.9	52.3	+41%
Administrative expenses	55.3	33.7	+64%
Profit after taxation	7.4	7.7	-4%
EPS:			
Basic	3.93p	4.22p	
Diluted	3.70p	4.00p	
Non-GAAP Measures:			
Underlying transaction values			
- FX	7,832	5,866	+34%
- Banking	2,565	2,178	+18%
- Solutions Platform	7,820	4,368	+79%
- Total	18,217	12,412	+47%
Adjusted EBITDA³	28.3	20.6	+37%
EBITDA	18.8	17.1	+10%
Adjusted profit after taxation	19.6	13.1	+49%
Adjusted EPS:			
Adjusted ⁴ Basic	10.41p	7.16p	+45%
Adjusted ⁴ Diluted	9.80p	6.79p	+44%
Other information:			
Capitalised staff costs	5.9	5.7	
Separately reported items (below Adjusted EBITDA)	3.6	2.1	
Cash per share (at balance sheet date)	15.5p	10.2p	

FY-2024 Financial Highlights

- 47% increase in transaction flow to £18.2 billion (FY-2023: £12.4 billion)
- 38% increase in revenue to £131.7 million (FY-2023: £95.7 million)
- 37% increase in Adjusted EBITDA³ to £28.3 million (FY-2023: £20.6 million)
- Dividend payments of £3.8 million (FY-2023: £0.9 million)
- Robust Balance sheet with £29.2 million cash at bank at 31 December 2024

On 11 December 2024, the Boards of Equals and Bidco announced that they had reached an agreement on the terms of a recommended all cash acquisition of the entire issued and to be issued ordinary share capital of Equals (the 'Acquisition').

Under the terms of the Acquisition, Equals Shareholders shall be entitled to receive 140 pence in cash, comprising a cash consideration of 135 pence per share plus a special dividend payment of 5 pence in cash per share (the 'Special Dividend'). The offer values the entire issued and to be issued ordinary share capital of the Group at approximately £283 million on a fully diluted basis.

The Acquisition is to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the 'Scheme') and is subject to the terms and conditions set out in the scheme document relating to the Acquisition (the 'Scheme Document') published on 17 December 2004. Unless otherwise defined, all capitalised terms in this announcement have the meaning given to them in the Scheme Document.

As announced on 8 January 2025, the Scheme was approved by the requisite majority of Scheme Shareholders at the Court Meeting held on 8 January 2025 and the Special Resolutions relating to the implementation of the Scheme were also approved by the requisite majority of Equals Shareholders at the General Meeting also held on 8 January 2025.

As announced on 1 April 2025, the Regulatory Conditions set out in paragraphs 3.2 to 3.7 of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of the Scheme Document have now been satisfied.

Completion of the Acquisition remains subject to the Court's sanction of the Scheme at the Court Hearing, the delivery of a copy of the Scheme Court Order to the Registrar of Companies and the satisfaction (or, where applicable, waiver) of the remaining Conditions set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of the Scheme Document.

The Court Hearing to sanction the Scheme is scheduled to be held on 10 April 2025 and subject to the satisfaction (or where applicable, waiver) of the remaining Conditions, the Scheme is expected to become Effective on 14 April 2025. The last day of dealings in, and for registration of transfers of, Equals Shares is therefore expected to be 11 April 2025, with all dealings in Equals Shares being suspended at 7.30 a.m. on 14 April 2025. It is also expected that the admission to trading of Equals Shares on AIM will be cancelled with effect from 7.00 a.m. on 15 April 2025.

If any of the key dates and/or times set out above change, the revised dates and/or times will be notified to Equals Shareholders by issuing an announcement through a Regulatory Information Service, with such announcement being made available on Equals' website (www.equalsplc.com/strategic-review).

Special dividend

As part of the Acquisition, the Board is pleased to declare a special dividend of 5.0 pence per share. Subject to the Scheme becoming effective, the special dividend will be payable to shareholders on the register at 6pm on 11 April 2025, and will be paid by 28 April 2025. On the basis that the special dividend is being paid as part of the Acquisition there is no associated ex-dividend date.

The most secure way for eligible shareholders to receive their dividends will be to have them paid directly into their nominated bank account. Shareholders can action this by adding their bank details into the Signal Shares portal of our Registrar, MUFG Corporate Markets, using the following link <https://uk.investorcentre.mpms.mufg.com/Login/Login>. Additionally Equals, will, on its investor relations website (www.equalsplc.com), include a guide to this.

Commenting on the Final Results, Ian Strafford-Taylor, CEO of Equals Group PLC, said: "We continued to grow strongly in 2024, achieving strong levels of revenue, adjusted EBITDA, and operational cash generation. We also expanded internationally, broadened our product offering and hired greater talent to take the Group forward. I am immensely proud of the workforce that allowed us to reach these levels of performance, and I want to thank them all for their efforts in achieving these results.

"However, and as previously stated, the highly competitive nature of the payments market, and the considerable investment required to 'stay-ahead-of-the-game' led the Board to conclude that private ownership by well-funded partners would be a better route for the Group with shareholders having approved the terms of the Acquisition, which is now expected to complete on 14 April 2025.

"These results are therefore likely to be the last that Equals announces as a public company and I would like to thank shareholders for their continued support for the business since our IPO in 2014."

FY-2024 Annual Report

An electronic copy of the Annual Report and Financial Statements for the year ended 31 December 2024 will be posted on the Group's website (www.equalsplc.com) at midday today, and be available at Companies House once filed.

Notes

¹ Based on underlying, not rounded, figures.

² Transactions with business customers are reported as 'B2B' and transactions with retail customers are reported as 'B2C'.

³ Adjusted EBITDA is defined as: earnings before; depreciation, amortisation, impairment charges, share option charges, foreign exchange differences and separately reported items. Separately reported items are of a material nature, non-recurring items. A bridge to Adjusted EBITDA is provided on table 1 in the CFO report.

⁴ The measure of profit for this ratio has been adjusted to form Adjusted EPS. The add-back adjustments consist of share option charges, amortisation of acquired intangibles, exceptional items, acquisition costs and tax impacts on these items thereon.

The financial statements were approved for release at 07:00 hours on 8 April 2025 to the London Stock Exchange via RNS after being approved by the Board after stock market hours on 7 April 2025.

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Notes to Editors:

Equals Group is a technology-led international payments group augmented by highly personalised service for the payment needs of SMEs whether these be FX, card payments or via Faster Payments. Founded in 2007, the Group listed on AIM in 2014. For more information, please visit www.equalsplc.com.

Chief Executive Officer's Report

The vision for the Group is to 'make money movement simpler' for corporate customers. Equals achieves this by giving its corporate customers access to payment and transactional capabilities that were previously only available via Banks. Given the typically often dated state of the infrastructure at Banks, coupled with the long lead times to become a customer, there is a clear opportunity for Equals to provide value-added services to the B2B space.

Equals services its corporate customers via its B2B platforms, being Equals Money, which is targeted at SME customers, and Equals Solutions, which targets larger corporate opportunities. The Group's growth potential continues to be strong given that the core building blocks of its platforms, namely own-name multi-currency IBANs, proprietary technology, and bank-grade connectivity and clearance, are highly complex and time consuming to replicate. This market position was achieved by the investments made in previous years into technology and connectivity and will be continuously enhanced by further investment.

Against this vision, the Board's objective for FY-2024 was to expand the reach of our B2B platforms and thereby increase the Total Addressable Market ('TAM') for our services. Equals achieved this objective by increasing the capabilities to connect to our platforms via API integrations, expanding our white-label capabilities and allowing our customers to transact both directly with Equals or 'indirectly' where Equals provides the platform for our B2B customers to transact with their underlying customer, so called B2B2C or B2B2B.

The advances the Group made in its offering, combined with improved Sales and Marketing capabilities, meant the Group delivered the following strong headline financial performance:

- Transactions executed on the Group's platforms increased by 47% to £18.2 billion (FY-2023: £12.4 billion)
- Revenue increased by 38% to £131.7 million (FY-2023: £95.7 million)
- Adjusted EBITDA increased by 37% to £28.3 million (FY-2023: £20.6 million)
- Adjusted PBT increased to £19.6 million (FY-2023: £13.1 million)

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

Growth with control and investment

Total transaction volumes processed by our platforms increased 47% to £18.2 billion (FY-2023: £12.4 billion), with increases across all payment channels, and reflects the scalability of the platform that has been built, and the operational processes that support it.

Revenues also grew strongly, posting a 38% increase to £131.7 million (FY-2023: £95.7 million). The revenues grew slower than transaction volumes in percentage terms is not due to pressure on margins, rather it reflects Equals winning larger corporate business which is typically higher volumes at lower spreads.

The Group's focus on distribution to B2B customers is reflected in the breakdown of revenues of which 86% were derived from B2B customers, up from 84% in FY-2023. Similarly, our success in attracting larger corporate customers, especially via the Equals Solutions platform, is reflected in 43% of revenues being derived from this category, compared to 33% in FY-2023.

Analysing revenue trends further, growth continues to be centred around a very strong uptake of our Solutions platform augmented by solid performance from the core products within Equals Money. Specifically, Equals Solutions revenues grew by 80% to £55.8 million (FY-2023: £31.0 million), International Payments (including White Labelled FX services) grew 21% to £47.7 million (FY-2023: £39.4 million), and card-based revenues grew 1% to £15.3 million (FY-2023: £15.2 million).

The increase in transaction volumes and revenues resulted in strong growth in profits, with Adjusted EBITDA up 37% to £28.3 million (FY-2023: £20.6 million).

Regulators across the globe are increasingly focused on anti-money laundering ('AML') and compliance standards. Equals welcomes higher levels of supervision as we view our compliance controls and governance to be a competitive advantage.

Equals instils a Group-wide compliance culture facilitated by regular, compulsory training for all employees. The Group has continued its investment in this area with increased headcount and expertise being added across onboarding, enhanced due-diligence, transaction monitoring, risk, compliance and regulatory teams. In addition to the investment in people, the Group has deployed compliance technology and tooling to automate tasks where possible.

The philosophy of 'growth with control and investment' extends to our product and engineering functions. All customer-facing product developments are built with the involvement of all areas of the business to ensure Equals creates end-to-end applications that support internal operational efficiency as well as superior customer user experience ('UX'). In addition, in 2024 we increased the proportion of our technical roadmap that is dedicated to improving internal efficiency and control, not just outward facing product rollouts.

Control whilst investing within Engineering and IT is further enhanced by the Group operating a monthly Security Council, with membership including Board members and all key departments. The approval of the Council is required to progress new products, product changes, new software usage and vendor approval. The Security Council also conducts a review of any security incidents at each meeting and authorises any changes required. The robustness of our governance is just part of the reason the Group has ISO/IEC 27001 status, the leading international standard focused on Information Security Management. This independent accreditation testifies to the strength of the technology platform that has been built as well as the processes and controls that we operate.

Sustained investment in people

The success of the Group is directly attributable to its excellent employees.

Equals has a defined culture which we espouse through our core values, being **Make it happen, Succeed together, Be the customer, and Go beyond**. We have monthly awards for the employees who have excelled in each value and have been nominated by their colleagues. Equals values not just individual employees, but teamwork and togetherness - the 'Equals Family'.

In this vein, Equals continues to invest in its employees and consistently looks to implement measures to enhance the work environment. The Group utilises benchmarking to ensure it provides a strong benefits programme and it continues to support a hybrid working policy. The health and wellbeing of employees is taken very seriously, and the Group has implemented many programmes to support this.

As part of the development of our employees, the Group has a bi-annual appraisal process, which also drives salary reviews and incentive plans. The appraisal process includes input from not just the individual and their manager, but also from colleagues. The Group is proud to have a diverse workforce, and it strives to train and promote from within where possible.

Overall, investment in People has resulted in the Group having a low level of staff turnover amongst key employees.

Headcount increased to 400 on 31 December 2024, up 9% from 367 at the end of 2023 reflecting the Group putting in place the resources needed for our next phase of growth in 2025 and beyond. In keeping with our strategy of 'growth with control' the additional recruitment has been concentrated in revenue production areas (sales and marketing) together with increases in onboarding, compliance and operations.

We expect headcount to continue to grow, but at much lower rates than revenue expansion, in 2025.

Equals position in the payments space

The global payments industry is fundamental to the global economy. Without an efficient payments industry, global trade suffers. Global payments represents a multi-trillion dollar market that remains a complex and constantly evolving space.

Despite the importance of payments, whilst technology has seen radical changes in many industries, payments had not evolved at the same pace until relatively recently. In part this is because of its importance, if changes are made and they fail, the consequences are far-reaching. We have seen many times when Banks attempt to upgrade their systems and there are major outages. Therefore, we still see a prevalence of legacy payment mechanisms of cash, cheques, account-to-account transfers and more latterly cards dominating the landscape. Furthermore, the settlement rails that support these payment methodologies were frequently decades old. The problems that this created were even more acute when making international, or cross-border, payments as settlement rails in one country frequently did not interface with those in another.

The 21st century has seen more investment into payments and more disruptive technology being applied which has changed the long-standing status quo and introduced new participants into the space, known as 'fintech' businesses. The advent of cryptocurrencies, and concurrently blockchain, has further accelerated the rate of change such that payments in general are now evolving at a rapid pace.

It is the rapid evolution that we now see that provides the fundamental opportunity for Equals as we can provide our corporate customers access to payment methodologies that they cannot access via traditional Banks. Accordingly, the Group has invested into technology and people over several years to carve out a specific niche for Equals, focused on the B2B customer space. This investment has yielded a powerful proposition that provides its customers with both account-to-account transfers and card payments in one multi-currency platform built on infrastructure giving bank-grade connectivity and security on superior customer interfaces. Equals customers can access this platform directly via the secure login, on a white-label basis, or via an API technical interface. The flexibility the Group can support and the channels by which this can be consumed by customers is a key differentiator. Within Equals B2B focus, the Group targets two major segments, SMEs, via Equals Money, and larger corporates, via Equals Solutions. Both offer a single platform comprising own-name, multi-currency IBAN current accounts, account-to-account transfers, and card products for both domestic and international transactions.

Competition and differentiation

The Group's competitors fall into two major categories: the incumbent banks; and the fintech 'disruptors' that have come into the market in recent years. Despite the growth of fintech companies, the majority of payment volumes continue to flow through

the incumbent banks, in some part due to customer inertia and the difficulty of switching providers. Accordingly, for Equals, the key is to target the customer base of the incumbent banks whilst concurrently making it easy for those customers to consume the products and services of the Group. These twin challenges are addressed by continued investment into both product development and our customer onboarding capabilities to provide a rapid process whilst retaining control.

Fintech competitors, in contrast to the incumbent banks, tend to focus on one product component of what Equals provides as an overall platform. In addition, they are often B2C focused, therefore focusing on a different customer base than Equals. Further, fintech companies typically operate 'self-serve' platforms where the user must consume the standard product whereas Equals platforms are highly configurable to fit the requirements of the user. Lastly, fintech companies rarely provide human interaction in terms of onboarding, implementation and ongoing support whereas Equals provides leading technology allied with human assistance in supporting customers to navigate the complexities of payments via dedicated account management teams.

The Group therefore differentiates itself by harnessing the best of these two competitor groups, namely the trust, security and heritage of the incumbent banks combined with the technological innovation of the fintech community. Accordingly, Equals will continue to invest in its platform, connectivity, and payment rails to remain one step ahead and its success in doing so to date is clearly reflected in the Group's FY-2024 results.

ESG

In keeping with prior years, Equals remains committed to ESG initiatives and the Group takes Equality, Diversity, and Inclusivity ('EDI') extremely seriously. Our EDI strategy, which covers not only employees but also customers, includes an internal EDI network populated with elected representatives and regular employee surveys.

Outlook

The outlook for Equals Group remains strong, because of our outstanding people combined with sustained investments in technology and connectivity. Concurrently, the Group has consistently widened its addressable market via new distribution channels and geographical expansion. Equals has created a highly configurable payments platform comprising international and domestic payments, card payments and current account services underpinned by exceptional technology and direct connections to multiple payment networks. Accordingly, we look to the future with confidence.

Ian Stafford-Taylor
Chief Executive Officer
 7 April 2025

Chief Financial Officer's Report

The Strategic Review, launched in Q4-2023 has impacted the overall, but not the underlying results for the year, with trading revenues growing by 21%, and total revenues, significantly benefitting from robust interest rates and growing customer balances, which grew by 38%. Adjusted* EBITDA also grew strongly by 37% to £28.3 million. The professional fees and other costs incurred on the Strategic Review in 2024 were £3.6 million. Normalised** EBIT was 34% higher at 13.9 million (2023: £10.4 million). Share option charges reflected a full year of charges related to the LTIP awards in December 2022 and November 2023). Higher profits have led to a higher tax charge.

A summary income statement is shown below.

TABLE 1: INCOME AND EXPENSE ACCOUNT

	FY-2024 £ millions	FY-2023 £ millions
Revenue (table 3)	131.7	95.7
Gross Profits (table 4)	73.9	52.3
Less: Marketing	(4.0)	(2.6)
Contribution	69.8	49.8
Staff costs	(28.7)	(20.3)
Property and office cost	(1.5)	(1.2)
IT and telephone costs	(5.8)	(3.2)
Professional Fees	(2.4)	(2.2)
Compliance costs	(2.4)	(1.5)
Travel and other expenses	(0.8)	(0.7)
Adjusted EBITDA	28.3	20.6
Less: Share option expense	(6.0)	(1.4)
Less: Acquisition costs (table 5)	-	(1.4)
Less: Exceptional items	(3.6)	(0.7)
EBITDA	18.7	17.1
IFRS 16 Depreciation (table 7)	(0.7)	(0.7)
Other depreciation (table 7)	(0.5)	(0.5)
Amortisation of acquired intangibles (table 8)	(1.6)	(1.7)
Other amortisation (table 8)	(5.8)	(5.4)
	(8.6)	(8.3)

Contingent consideration credit	-	0.5
Gain on Disposal of Cash CGU	-	0.4
Research and Development Income	0.2	-
	<u>(8.4)</u>	<u>(7.4)</u>
EBIT	10.3	9.7
Lease interest	(0.1)	(0.2)
Foreign exchange differences	(0.1)	(0.3)
Contingent consideration finance credits/(charges)	0.1	(0.1)
	<u>(0.1)</u>	<u>(0.6)</u>
PROFIT BEFORE TAXATION	10.2	9.1
Corporate and deferred taxation	(2.7)	(1.4)
PROFIT FOR THE YEAR	7.4	7.7

*Adjusted EBITDA is EBITDA before exceptional items, non-cash share option expenses and costs incurred in acquisitions.

**Normalised EBIT is stated before Exceptional Items.

When the changes are presented as a bridge, the standout facts are the increase in revenue leading to increased contribution (gross profits less marketing costs), offset by higher labour costs, both through planned increases in staff resources and responding to labour market pressures. Other cost increases were also a mix of inflation pressures, but also decisions taken to upskill and upscale resources for a rapidly growing business.

TABLE 2 - ADJUSTED EBITDA BRIDGE FROM FY-2023 TO FY-2024 (in £'000s)

FY-2023 Adjusted EBITDA		20,637
Add:	40% uplift in contribution FY-2024	20,076
Less:	41% increase in staff costs, reflecting a higher planned headcount, particularly in compliance and onboarding roles.	(8,400)
	79% increase in IT and communications, largely through increased web hosting charges and development tools in line with transaction growth.	(2,541)
	29% increase in professional and compliance costs, much of which is attributable to increased professional and compliance including regulatory fees in line with geographical expansion.	(1,079)
	26% increase in property costs reflecting a full-years charge for EU operations (2023 - 6 months)	(304)
	Increase in other costs including travel and entertaining costs incurred through ambassadorial initiatives and industry awareness events.	(115)
FY-2024 Adjusted EBITDA		28,274
Uplift over FY-2023		7,637
% uplift over FY-2023		37%

Revenue

All product lines and all verticals saw significant increases in revenue in the year. The Group has concentrated on the corporate sector and has seen strong growth in International Payments, White-Label and Solutions business lines, and modest growth in consumer and small businesses. The Group stabilised its EU revenues and structurally removed some revenue not linked to its current strategy.

Shown below, revenue by type, followed by revenue by product line with an allocation of interest based on the customer balances within each segment.

TABLE 3 - REVENUE BY CUSTOMER TYPE

The table below shows the revenue by half year periods, split by customer grouping and within than the type of business provided.

By income type

£ millions	H1-2023	H2-2023	TOTAL FY-2023	H1-2024	H2-2024	TOTAL FY-2024
FX	24.7	22.4	47.1	25.1	29.9	55.0
Fees	16.1	21.3	37.4	25.0	29.8	54.8
Total, trading revenue	40.8	43.7	84.5	50.1	59.6	109.8
Interest	4.2	7.0	11.2	9.8	12.1	21.9
Total	45.0	50.7	95.7	60.0	71.7	131.7

Revenue in H1-2024 grew by 33% over the same period in 2023, then by 18.3% over the prior half year, Revenues in the second half continue to grow strongly; 41% over H2-2023 and 19.5% above H1-2024.

By segment, including interest allocated to segments

£ millions	H1-2023	H2-2023	TOTAL FY-2023	H1-2024	H2-2024	TOTAL FY-2024
<i>International Payments</i>	9.2	9.7	18.9	10.3	12.4	22.7
<i>Cards</i>	4.8	5.4	10.2	4.7	5.1	9.8
Medium enterprises	14.0	15.1	29.1	15.0	17.5	32.5
<i>International Payments</i>	1.9	1.9	3.8	2.6	2.0	4.6
<i>Cards</i>	2.4	2.6	5.0	2.7	2.8	5.5
<i>Banking</i>	4.1	4.2	8.3	4.0	4.7	8.7
Consumer and small business	8.4	8.7	17.1	9.3	9.5	18.8
White-label	8.9	7.8	16.7	8.6	11.8	20.4
Large enterprises ('Solutions')	13.6	17.4	31.0	24.8	31.0	55.8
Europe	-	1.7	1.7	2.3	2.0	4.3
Bureau de change	0.1	-	0.1	-	-	-
Total	45.0	50.7	95.7	60.0	71.7	131.7

Interest

Interest income on safeguarded customer funds rose 96% to £21.9 million, up from £11.2 million in 2023.

Interest is earned on balances maintained in GBP, EUR and USD. Interest earning balances have risen sharply from an average of £313 million in H1-2023 to £350 million in H2-2023, £485 million in H1-2024 to £625 million in H2-2024.

The impact of the growth of balances, more than offsets the recent reductions in global interest rates.

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

Revenue by distribution channel

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

Revenue from direct channels is around 54% of the total, marginally up on FY-2023 (52%).

Revenue by customer type

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

The percentage of revenue from B2B has increased from 83.8% in FY-2023 to 85.7% in FY-2024.

Revenue by type

As the Group develops, it has not only pivoted away from B2C but also focused towards more recurring revenue. Of the trading revenue, fees represented 50% compared with 44% in 2023.

Revenue by segment

a. Solutions

Solutions now represents over 42% of Group revenues.

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

	£ millions
H1-2021	0.3
H2-2021	3.3
...	...

H1-2022	6.2
H2-2022	9.4
H1-2023	13.6
H2-2023	17.4
H1-2024	24.8
H2-2024	31.0

b. International Payments

Revenue increased from £22.7 million in 2023 to £27.3 million in 2024 at 20.3%.

c. White-label

Revenue increased from £16.7 million in 2023 to £20.4 million in 2024 an increase of 22% despite difficult headwinds and intense competition.

d. Cards

The Group continues to operate FairFX its retail-focused card product, but increasingly concentrates on the Corporate section with a relaunched Equals Money card.

Retail revenues were: £5.5 million, up from £5.0 million in 2023
Corporate revenues were: £9.8 million, marginally lower than in 2023

e. Banking

The 'CardOneMoney' platform also serves both B2B and B2C, but is a non-core product and receives minimal marketing investment. Its revenue remains relatively static at £8.7 million (2023: £8.3 million).

f. Europe

The Group's acquisition in July 2023 was fully remediated and restructured in 2024. Certain revenue streams were eliminated as they did not fit into the Group's strategy and risk appetite. Despite this, revenue increased to £2.0 million in H2-2024 from £1.7 million in the same period in the prior year.

GROSS PROFITS

Whilst revenues have grown by 38% over the same period last year, Gross Profits increased by 41%. This is a result of the impact of interest income (which has no associated cost), and the changing mix of business including a greater percentage being derived from direct sales as opposed to affiliates.

Gross profit ratios over the half year periods are shown below:

TABLE 4 - GROSS PROFIT MARGIN %

	H1-2023	H2-2023	Total FY-2023	H1-2024	H2-2024	Total FY-2024
<i>International Payments</i>	57%	58%	57%	62%	61%	61%
<i>Cards</i>	65%	67%	65%	66%	54%	58%
Medium enterprises	59%	61%	60%	63%	57%	60%
<i>International Payments</i>	68%	68%	68%	68%	56%	60%
<i>Cards</i>	58%	61%	60%	63%	54%	54%
<i>Banking</i>	85%	84%	84%	83%	80%	82%
Consumer, and small business	74%	74%	74%	75%	67%	71%
White-label	19%	21%	20%	21%	28%	25%
Large enterprises (Solutions)	54%	60%	57%	61%	61%	61%
Cash (affiliate from H2-2023)	31%	87%	36%	60%	73%	68%
Europe	-	56%	56%	57%	47%	50%
Total	52%	56%	55%	57%	55%	56%

Marketing, branding and contribution

The Group has actively managed its marketing expenditure more closely having carried out a thorough review and a constant assessment of 'Return on Spend'. Increased marketing expenditure in 2024 is focused on hospitality events and exhibitions. Marketing, as a percentage of Revenue is 3.1% (2023: 2.7%).

Staff costs

Reported here staff costs exclude commissions and associated Employers NI which are shown within Gross Profits.

Staff costs below the Gross Profit line and gross of capitalisation and exceptional items were £35.9 million in FY-2024 against £25.9 million in FY-2023. This increase was attributable to:

- Organic headcount increases (headcount numbers have moved from 367 as at 31 December 2023 to 400 as at 31 December 2024). Recruitment costs fell to £738k (but includes a number of higher recruitment costs for Exec and senior

- hires) in 2024 against £969k in 2023. 2024 saw the recruitment of 85 new employees in the UK (2023: 149).
• Wage pressures, where the aggregate increases were around 8.5%.

Gross staff costs have been offset by £5.9 million of capitalised internal software (FY-2023: £5.7 million), which included £3.3 million on contractors (FY-2023: £2.4 million). The amounts capitalised represent 16.4% of gross staff costs, reduced from 21% in 2023 largely due to inflation impacting contractor costs.

The composition of headcount is approximately: Commercial, 22%; Compliance, 15%; Operations (excluding risk & compliance), 23%; Engineering, 15%; Product and EU operations, 10%; Finance and HR, 9%; Other, 6%.

Professional fees and Compliance costs

Owing to an increasing cross-industry compliance burden, the Group has chosen to report compliance, and similar costs separate to other professional fees. Such costs, including onboarding systems, have risen due to a combination of greater business activity and the Group's desire to fast-track business applications proactive with regulation.

Professional fees have risen in line with trends widely reported in the national press, most notably the provision for the cost of the audit noting increased acquisition activity and implementation of enhanced systems.

Exceptional items

In connection with the Strategic Review announced on 1 November 2023 and the implementation of the Acquisition that followed, the Group incurred costs of £3.6 million in FY-2024, of which £2.3 million related to professional fees and £1.3 million to retention bonuses.

Dividend Payments

The Group paid two dividends of 1.00 pence per share to the shareholders of Equals Group PLC in 2024:

- Final dividend of 1.0 pence per share announced in the final results published on 16 April 2024 with a total cash payment of £1,876k on 28 June 2024.
- Interim dividend of 1.0 pence per share announced as part of the Interim Results released on 10 September 2024 with a total cash payment of £1,885k on 25 October 2024.

Acquisitions

The following two tables present the purchase consideration for acquisitions made since 1st January 2023, along with the cash and equity transferred in connection with these acquisitions.

TABLE 5 - ACQUIRED ASSET CONSIDERATION THROUGH ACQUISITIONS

	<u>Total</u>	<u>Roqgett</u>	<u>Hamer & Hamer</u>	<u>EMEU</u>
Acquisition date		<u>06.01.2023</u>	<u>20.04.2023</u>	<u>04.07.2023</u>
	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>
Value on balance sheet at 01.01.2023	-	-	-	-
Acquisitions in 2023	12,667	1,550	2,268	8,849
Fair value and deferred tax adjustments in 2023	3,391	664	339	2,388
Total Consideration on balance sheet at 31.12.2023	16,058	2,214	2,607	11,237
Total Consideration on balance sheet at 31.12.2024	16,058	2,214	2,607	11,237
Comprising:				
Cash paid at acquisition	1,669	169	1,500	-
Cash paid at acquisition for acquired liabilities	2,461	-	-	2,461
Cash paid post-acquisition	2,709	1,215	19	1,475
Total cash paid for acquisitions	6,839	1,384	1,519	3,936

Shares issued at acquisition	3,190	-	-	3,190
Shares issued post-acquisition	810	-	-	810
Total shares issued paid for acquisitions	4,000	-	-	4,000
Total cash paid and shares issued for acquisitions	10,839	1,384	1,519	7,936
Fair Value on shares issued	694	-	-	694
Performance assessed consideration thereon	233	35	148	50
Capitalised incidental expenses	131	131	-	-
Acquired liabilities payable in cash	169	-	-	169
Deferred consideration payable in cash*	601	-	601	-
Total consideration transferred	12,667	1,550	2,268	8,849
Fair Value thereon	2,413	664	(30)	1,779
Deferred tax thereon	978	-	369	609
Total acquired	16,058	2,214	2,607	11,237
Goodwill	9,930	-	1,129	8,801
Other intangible assets:				
Open Banking Technology	2,214	2,214	-	-
Customer Relationships	3,914	-	1,478	2,436
Total intangibles acquired	16,058	2,214	2,607	11,237

*the earnout which relates to Hamer & Hamer and are payable on the 1st, 2nd and 3rd anniversaries of the acquisition if targets are met. The maximum earn out is £1.7 million over the three-year period, of which £19k has been paid on the first anniversary and the remainder has been fair valued to £0.6 million is payable over the next two years.

TABLE 6 - CASH AND EQUITY TRANSFERRED FOR ACQUISITIONS

	<u>Total</u>	<u>Cash Total</u>	<u>Casco</u>	<u>Roggett</u>	<u>Hamer & Hamer</u>	<u>Equity Total</u>	<u>EMEU</u>
Acquisition date			<u>19.11.2019</u>	<u>06.01.2023</u>	<u>20.04.2023</u>		<u>04.07.2023</u>
	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>	<u>£'000s</u>
Gross outstanding at 01.01.2023	2,025	2,025	2,025	-	-	-	-
Acquisitions in 2023	8,669	4,619	-	1,419	3,200	4,050	4,050

Cash payments in 2023	(3,476)	(3,476)	(1,092)	(884)	(1,500)	-	-
Shares issued in 2023	(3,190)	-	-	-	-	(3,190)	(3,190)
Revaluation of asset based on performance in 2023	(1,441)	(1,391)	(424)	(35)	(932)	(50)	(50)
Gross Outstanding at 31.12.2023	2,587	1,777	509	500	768	810	810
Cash payments in 2024	(1,028)	(1,028)	(509)	(500)	(19)	-	-
Shares issued in 2024	(810)	-	-	-	-	(810)	(810)
Revaluation of asset based on performance in 2024	(148)	(148)	-	-	(148)	-	-
Gross Outstanding at 31.12.2024	601	601	-	-	601	-	-

Depreciation

Tangible fixed assets are depreciated over the anticipated useful life with a maximum of 60 months (other than leasehold improvements which is a maximum of 120 months).

TABLE 7 - DEPRECIATION

	FY-2024 £'000s	FY-2023 £'000s
IFRS 16 depreciation	711	692
Other depreciation	450	536
	<u>1,161</u>	<u>1,228</u>

Amortisation

Intangible assets acquired on acquisition are amortised over their estimated useful lives, with a maximum of 60 months for brands and a maximum of 108 months for customer relationships. The charge to amortisation for the year can be analysed as follows:

TABLE 8 - COMPONENTS OF AMORTISATION CHARGES

	FY-2024 £'000s	FY-2023 £'000s
Amortisation charge arising from the capitalisation of internally developed software in the following years:		
2018 and earlier	260	545
2019	940	1,661
2020	924	893
2021	666	599
2022	903	791
2023	1,041	506
2024	628	-
	<u>5,362</u>	<u>4,995</u>
Amortisation charge for other intangibles	419	381
	<u>5,780</u>	<u>5,376</u>
Amortisation of acquired intangibles	1,611	1,672
Total amortisation charge	<u>7,392</u>	<u>7,048</u>

Operating result

The Group made a profit before taxation of £10.2 million for the year, compared to £9.1 million for FY-2023.

Taxation, incorporating R&D credits

The Group has recognised a net tax charge of £2.7 million for FY-2024 (FY-2023: £1.4 million). At the balance sheet date, the Group estimates it has usable tax losses of £4.4 million.

TABLE 9 - BALANCE SHEET

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

31.12.2024
£'000s

31.12.2023
£'000s

Internally generated software - cost	38,725		32,207
Internally generated software - accumulated amortisation	(23,768)		(18,407)
	14,957		13,800
Other non-current assets (other than 'right to use')	30,985		32,949
IFRS 16 assets, less IFRS 16 liabilities	(527)		(599)
	45,415		46,150
Liquidity (see Table 12)	25,316		17,803
Accrued Income and Trade Debtors	7,493		6,503
Net value of forward contracts*	1,490		358
Prepayments	2,563		1,789
Deferred consideration receivable from the sale of the FX bureau	-		100
Inventory of card stock	165		372
Other Sundry Debtors	294		196
Current assets - as presented in this format	37,321		27,121
Less:			
Accounts payable	(2,850)		(2,831)
Affiliate commissions	(3,901)		(3,135)
PAYE and Pension Liabilities	(1,138)		(1,023)
Staff commissions and accrued bonuses	(3,708)		(2,391)
Purchase accruals and other creditors	(5,233)		(3,700)
Accrued acquired liabilities for EMEU.	(169)		(1,519)
Earn-out balances due**	(601)		(1,777)
Net deferred income tax credit (2024 RDEC)**	(748)	-	-
Net corporation and deferred taxes	(404)	849	849
Liabilities - as presented in this format	(18,752)		(15,527)
Net, as presented in this format	18,569		11,594
NET SHAREHOLDER FUNDS	63,984		57,744

At 31 December 2024, the Company has distributable reserves of £18,543k. This is equivalent to £0.10 per share.

*The gross value of the forwards book at 31st December 2024 was £280.2 million (31st December 2023: £315.3 million)

**Taxation and R&D expenditure credit

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

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

This allows 20% of eligible R&D expenditure (staff and IT costs) to be credited to the balance sheet and then released to the P&L as either:

- other income; or
- netted off against R&D costs, such as staff costs on the income statement.

This credit is subject to corporation tax, resulting in an effective tax rate of 15%, compared to 21.5% under the SME scheme.

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

TABLE 10: IMPACT OF RDEC SCHEME

£ millions	<i>With RDEC applied</i>		<i>Before RDEC applied</i>	
	FY-2024	FY-2023	FY-2024	FY-2023
Adjusted EBITDA before RDEC	28.3	20.6	28.3	20.6
Impact of RDEC	0.2	0.2	-	-
Revised EBITDA	28.5	20.8	28.3	20.6
Taxation charge before RDEC	1.4	1.4	1.4	1.4
Impact of RDEC	1.3	1.3	-	-
Revised taxation charge	2.7	2.7	1.4	1.4
Profit after tax before RDEC	8.5	7.7	8.5	7.7
Impact of RDEC	(1.1)	(1.1)	-	-
Revised profit after tax	7.4	6.6	8.5	7.7
EPS:	FY-2024	FY-2023	FY-2024	FY-2023
Basic	3.93p	3.59p	4.51p	4.22p
Diluted	3.70p	3.41p	4.25p	4.00p
Adjusted Basic	10.41p	6.53p	10.99p	7.16p
Adjusted Diluted	9.80p	6.20p	10.35p	6.79p

Share capital - Ordinary shares of £0.01 each

Number at 01 January 2024	186,627,898
Final tranche of shares issued pursuant to EMEU. acquisition, issued 4 January 2024	1,000,000
Options exercised by a former employee, 24 July 2024	904,800
LTIP vesting, 18 October 2024	1,838,800
Number in issue 31 December 2024 and 07 April 2025	190,371,498

The SIP held 1,701,272 shares at 31 December 2024.

Share options

At 31 December 2024, there were the following options outstanding across the following schemes:

Scheme type	Number at 31.12.23	Lapsed in year	Exercised and issued	Net settled in year	Number at 31.12.24	Lapses since 31.12.24	Number at 07.04.25
2023 LTIP	2,600,000	(72,500)	-	-	2,527,500	(67,500)	2,460,000
2022 LTIP	3,132,500	(30,000)	-	-	3,102,500	-	3,102,500
2021 LTIP	3,435,000	(50,000)	(1,838,800)	(1,546,200)	-	-	-
EMI scheme	850,000	-	(50,000)	-	800,000	-	800,000
IPO awards	4,372,800	-	(854,800)	-	3,518,000	-	3,518,000
2020 awards	2,000,000	-	-	-	2,000,000	-	2,000,000
	16,390,300	(152,500)	(2,743,600)	(1,546,200)	11,948,000	(67,500)	11,880,500

Earnings per share

Earnings per share are reported/calculated in accordance with IAS 33. For non-diluted, the result after tax is divided by the average number of shares in issue in the year. The average number of shares was 188,354,225 (FY-2023: 183,624,192).

The calculation of diluted EPS is based on the result after tax divided by the number of actual shares in issue (above) plus Dilutive shares. Dilutive shares are calculated on, the number of options where the fair value exceeds the weighted average share price in the year less shares repurchased. Share repurchased is the proceeds from exercise divided by the share price at year-end. The fair value of options is measured using Black-Scholes and Monte-Carlo. It should be noted that in accordance with Accounting Standards, this calculation is based on fair value, not the difference between the market price at the end of the year or the weighted average price and the exercise price. The weighted average price was 118 pence (FY-2023: 99 pence), and the number of options exceeding the fair value was 11,680,541 (FY-2023: 9,820,535).

The basic and diluted EPS are shown below:

	<u>Basic</u>	<u>Basic</u>	<u>Diluted</u>	<u>Diluted</u>
	FY-2024	FY-2023	FY-2024	FY-2023
Earnings per share (in pence)	<u>3.93</u>	<u>4.22</u>	<u>3.70</u>	<u>4.00</u>

Adjusted earnings and adjusted EPS

	<u>FY-2024</u>	<u>FY-2023</u>
	£'000s	£'000s
P&L Attributable to owners of Equals Group PLC	7,405	7,746
Add back:		
- Share option charges	6,045	1,447
- Amortisation of acquired intangibles	1,611	1,672
- Exceptional items	3,636	714
- Acquisition costs	-	1,377
- Tax impacts thereon*	909	183
Adjusted earnings	<u>19,606</u>	<u>13,139</u>

*Tax impacts thereon are associated to items not added back to the tax computations relating to Exceptional items and Acquisition costs.

The resulting earnings per share are shown below:

	<u>Basic</u>	<u>Basic</u>	<u>Diluted</u>	<u>Diluted</u>
	FY-2024	FY-2023	FY-2024	FY-2023
Adjusted earnings per share (in pence)	<u>10.41</u>	<u>7.16</u>	<u>9.80</u>	<u>6.79</u>

CASH STATEMENT

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

TABLE 11: CASHFLOWS

2024

2023

	<u>£'000s</u>	<u>£'000s</u>
Adjusted EBITDA	28,274	20,637
Lease payments (principal and interest)	(468)	(929)
R&D tax credits received via Roqgett acquisition	-	232
Exceptional items	(3,636)	(714)
Internally developed software capitalised for R&D:		
- Staff	(5,912)	(5,653)
- IT Costs	(605)	(553)
Purchase of other intangible assets less disposals	(261)	(412)
Purchase of other non-current assets	(254)	(478)
	17,138	12,130
Movement in working capital	(699)	(1,027)
'Operational Cash inflows'	16,439	11,103
Acquisition costs expensed through income statement	-	(1,377)
Net acquired consideration	-	(4,465)
Acquired Liabilities associated with acquisition	(1,395)	-
Earn-outs	(1,028)	(1,092)
Net cash proceeds in Disposal of CGU	100	280
M&A outflows	(2,323)	(6,654)
Funds from exercise of share options	231	97
Dividend payments	(3,761)	(928)
NET CASHFLOWS	10,586	3,618
Opening balance	18,662	15,044
Closing Balance	29,248	18,662
Cash per share	15.5p	10.2p

Working capital movements often comprise timing differences, the most significant being between:

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

TABLE 12 - LIQUIDITY

	FY-2024	FY-2023
	£'000s	£'000s
Cash at bank	29,248	18,662
Balances with liquidity providers	746	2,758
Pre-funded balances with card scheme provider	1,411	1,912
Gross liquid resources	31,405	23,332
Customer balances not subject to safeguarding	(4,821)	(4,718)
Balances due to card scheme	(1,268)	(811)
	(6,089)	(5,529)
Net position	25,316	17,803

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

Richard Cooper
Chief Financial Officer
7 April 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	FY-2024	FY-2023
		£'000s	£'000s
Revenue from currency transactions		118,701	85,614
Revenue from banking transactions		8,682	8,350
Revenue from Europe transactions		4,289	1,747
Revenue		131,672	95,711
Transaction and commission costs		(57,813)	(43,385)
Gross Profit		73,859	52,326
Administrative expenses		(55,301)	(33,739)
Depreciation charge		(1,161)	(1,228)
Amortisation charge		(7,391)	(7,048)
Acquisition expenses* ¹		-	(1,377)
Total operating expenses		(63,853)	(43,392)
Memo: Adjusted EBITDA*²	G	28,274	20,637
Operating profit	A	10,006	8,934
Gain on the sale of the Cash CGU	E	-	380
Research & development expenditure credit		187	-
Finance cost		(77)	(166)
Profit before tax		10,116	9,148
Tax (charge) / credit	B	(2,711)	(1,402)
Profit after tax		7,405	7,746
Other comprehensive income:			
Exchange differences arising on translation of foreign operations		(2)	6
Total comprehensive income for the year		7,403	7,752
Earnings per share	C		
Basic		3.93p	4.22p
Diluted		3.70p	4.00p

Notes:

Adjusted EBITDA is Operating profit or loss before: Depreciation, Amortisation, Impairments, Share option charges, and

Separately reported items. All income and expenses arise from continuing operations.

*¹ Acquisition costs represents and includes costs pursuant to acquisitions.

*² Adjusted EBITDA is not a GAAP measure and represents operating profit or loss before share option charges, depreciation, amortisation and separately reported items (exceptional items).

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	2024 Group £'000s	2024 Company £'000s	2023 Group £'000s	2023 Company £'000s
ASSETS				
Non-current assets				
Property, plant and equipment	938	-	1,120	-
Right of use assets	2,450	-	2,881	-
Intangible assets (note E)	21,621	-	22,232	-
Goodwill	23,397	-	23,397	-
Deferred tax assets	-	142	956	814
Investments	-	82,935	-	77,750
	48,406	83,077	50,586	78,564
Current assets				
Inventories	166	-	372	-
Trade and other receivables	13,178	735	13,431	1,398
Current tax assets	365	-	-	-
Derivative financial assets (note F)	8,077	-	4,760	-
Cash and cash equivalents	29,248	6	18,662	509
	51,034	741	37,225	1,907
TOTAL ASSETS	99,440	83,818	87,811	80,471
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Share capital	1,904	1,904	1,866	1,866
Share premium	28,720	28,720	28,498	28,498
Share-based payment reserve	5,971	3,930	5,564	3,483
Other reserves	13,544	8,118	13,556	8,128
Retained earnings	13,844	18,543	8,260	22,855
	63,983	61,215	57,744	64,830
Non-current liabilities				
Lease liabilities	2,191	-	2,730	-
Deferred tax liabilities	769	-	-	-
	2,960	-	2,730	-
Current liabilities				
Trade and other payables	25,110	22,603	22,079	15,641
Current tax liabilities	-	-	106	-
Lease liabilities	800	-	750	-
Derivative financial liabilities (note F)	6,587	-	4,402	-
	32,497	22,603	27,337	15,641
TOTAL EQUITY AND LIABILITIES	99,440	83,818	87,811	80,471

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

Group	Share capital	Share premium	Share-based payment	(Accumulated losses) / retained earnings
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	£'000	£'000	£'000	£'000
At 1 January 2023	1,807	53,405	3,231	(24,148)
Profit for the year	-	-	-	7,746
Other comprehensive income:				
Exchange differences arising on translation of foreign operations	-	-	-	-
Other items:				
Share-based payment charge	-	-	1,419	-
Share options exercised in year	3	-	(333)	333
Shares issued in year	50	93	-	-
Shares issued in relation to Roqqett acquisition	6	-	-	-
Dividends paid in year	-	-	-	(928)
Share premium reduction scheme	-	(25,000)	-	25,000
Share issued in relation to EMEU acquisition	-	-	-	-
Shares yet to be issued in relation to EMEU acquisition	-	-	-	-
EMEU deferred shares - non-payable	-	-	-	50
Transfer of Q-Money contingent liability	-	-	-	207
Movement in deferred tax on share-based payment reserve	-	-	1,247	-
At 31 December 2023	1,866	28,498	5,564	8,260
Profit for the year	-	-	-	7,405
Other comprehensive expense:				
Exchange differences arising on translation of foreign operations	-	-	-	-
Other items:				
Share-based payment charge	-	-	2,386	-
Transfer of exercised and cancelled options	-	-	(1,939)	1,939
Share options exercised in year	28	222	-	-
Shares issued in relation to EMEU acquisition	10	-	-	-
Dividends paid in year	-	-	-	(3,760)
Movement in deferred tax on share-based payment reserve	-	-	(40)	-
At 31 December 2024	1,904	28,720	5,971	13,844

Company	Share capital	Share premium	Share-based payment	(Accumulated losses) / retained earnings
	£'000	£'000	£'000	£'000
At 1 January 2023	1,807	53,405	2,397	(89)
Loss for the year	-	-	-	(1,718)
Share-based payment charge	-	-	1,419	-
Share options exercised in year	3	-	(333)	333
Shares issued in year	50	93	-	-
Shares issued in relation to Roqqett acquisition	6	-	-	-
Dividends paid in year	-	-	-	(928)
Share premium reduction scheme	-	(25,000)	-	25,000
Acquisition of EMEU fair value increase	-	-	-	-
Acquisition of EMEU deferred consideration	-	-	-	-
EMEU deferred consideration - non-payable	-	-	-	50
Transfer of Q-Money contingent liability	-	-	-	207
At 31 December 2023	1,866	28,498	3,483	22,855
Loss for the year	-	-	-	(2,491)
Share-based payment charge	-	-	2,386	-
Transfer of exercised and cancelled options	-	-	(1,939)	1,939
Share options exercised in year	28	222	-	-
Shares issued in relation to EMEU acquisition	10	-	-	-
Dividends paid in year	-	-	-	(3,760)
At 31 December 2024	1,904	28,720	3,930	18,543

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

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

Other reserves comprise:

Merger reserve	Arising on equity settled consideration on acquisition of subsidiaries.
Contingent consideration reserve	Arising on equity based contingent consideration on acquisition of subsidiaries.
Foreign currency reserve	Arising on translation of foreign operation.

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	FY-2024	FY-2024	FY-2023	FY-2023
	Group	Company	Group	Company
	£'000s	£'000s	£'000s	£'000s
Profit / (Loss) before tax	10,116	(3,818)	9,148	(2,666)
Add: Cashflows from operating activities:				
<i>Adjustments for:</i>				
Depreciation	1,160	-	1,228	-
Amortisation	7,391	-	7,048	-
Share-based payment charges	2,386	-	1,419	-
Other non-cash items	(96)	-	-	-
Decrease / (increase) in trade and other receivables* ¹	253	664	(6,415)	1,867
Increase / (decrease) in trade and other payables* ²	2,283	6,961	(386)	3,604
(Increase) / decrease in derivative financial assets	(3,317)	-	856	-
Increase / (decrease) in derivative financial liabilities	2,185	-	(387)	-
Decrease / (increase) in inventories	206	-	(80)	-
Finance costs	77	-	167	8
	12,528	7,625	3,449	5,479
Net cash inflow	22,644	3,807	12,597	2,813
Tax receipts	-	-	232	-
Tax paid	(561)	-	(345)	-
NET CASHFLOWS FROM OPERATING ACTIVITIES	22,083	3,807	12,484	2,813
Cashflows from investing activities				
Acquisition of property plant and equipment	(268)	-	(479)	-
Acquisition of intangibles	(6,780)	-	(6,618)	-
Acquisition of subsidiary, net of cash acquired	-	-	-	(2,976)
Additional investment in subsidiaries	-	(2,799)	-	-
Dividend income	-	2,000	-	1,500
Net cash used in investing activities	(7,048)	(799)	(7,097)	(1,476)
Cashflows from financing activities				
Principal elements of lease payments	(789)	-	(786)	-
Interest paid on finance lease	(149)	-	(155)	-
Dividends paid	(3,761)	(3,761)	(928)	(928)
Proceeds from issuance of ordinary shares	250	250	100	100
Net cash outflow from financing activities	(4,449)	(3,511)	(1,769)	(828)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	10,586	(503)	3,618	509
Cash, and cash equivalents at 1 January	18,662	509	15,044	-
Cash, and cash equivalent at 31 December	29,248	6	18,662	509

*¹ The movement in the deferred and current tax assets and the right-of-use asset balances (excluding the depreciation charge) is included within the movement in trade and other receivables.

*² The movement in the deferred and current tax liabilities and the lease liability balances is included within the movement in trade and other payables.

ABBREVIATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

A - OPERATING PROFIT IS STATED AFTER CHARGING:

	FY-2024	FY-2023
	£'000s	£'000s
Staff costs:		

Commissions	6,062	4,141
Other pay and benefit elements	31,753	22,411
Training and recruitment	869	1,114
Vehicle leasing costs	176	160
Contractors	3,266	2,398
Costs gross of exceptional items	42,126	30,224
Less: incorporated in Transaction and commission costs	(6,062)	(4,141)
Less: amounts capitalised	(5,912)	(5,653)
Less: IFRS 16	(176)	(160)
Included in administrative expenses	29,976	20,270
IT, and telephone costs	6,364	3,859
Less: amounts capitalised	(605)	(553)
Included in administrative expenses	5,759	3,306
Professional and compliance fees		
Fees incurred on capital restructuring of the Company*	-	58
Fees incurred on the strategic review*	2,225	656
Statutory audit costs	747	493
Other professional and compliance fees	4,193	3,175
Included in administrative expenses	7,165	4,382
Property costs		
Rents	1,010	790
Other property costs	1,207	1,067
	2,217	1,857
Less: IFRS 16	(753)	(697)
Included in administrative expenses	1,464	1,160
Travel and subsistence	846	633
Marketing	4,023	2,565
Other costs, including SIP and LTIP PAYE/NI	3,649	117
Included in administrative expenses	8,518	3,315
Sub-total, cash based expenditure	52,882	32,433
Share option charge	2,386	1,419
Foreign exchange loss	33	346
Contingent consideration charge	-	(459)
Sub-total, non-cash based costs	2,419	1,306
Total, administrative expenses	55,301	33,739
Add:		
Depreciation - right to use assets	711	692
Depreciation - property, plant, equipment	450	536
Amortisation charge (see table 5)	7,391	7,048
Acquisition costs	-	1,377
TOTAL OPERATING EXPENSES	63,853	43,392

*recorded as separately reported items.

B. TAXATION

The Group's taxation charge or credit is the composite of:

1. Corporation tax charge arising on profits in the financial year,
2. Deferred taxation arising on temporary and permanent timing differences and losses carried forward, to the extent that the Company believes these to be recoverable from future taxable profits.

	FY-2024	FY-2023
	£'000s	£'000s
Corporation tax charge*	1,109	259
Adjustment in respect of prior year corporation tax	(83)	-
Current tax charge	1,026	259
Origination and reversal of temporary differences	407	534

Origination and reversal of temporary differences	1,556	844
Remeasurement of deferred tax asset on carry forward tax losses - current year	(278)	(235)
Deferred tax - prior year adjustment		
Deferred tax charge	<u>1,685</u>	<u>1,143</u>
Total tax charge	<u>2,711</u>	<u>1,402</u>

*Corporation tax charge is paid under quarterly instalments, £441k has been paid up to 31 December 2024.

As at 31 December 2024, the Group had tax losses available to be offset against future taxable profits of £4,371k (FY-2023: £12,384k). The losses can be carried forward indefinitely and have no expiry date.

In addition to corporation tax, the Group paid £5,341k in taxation during the year as follows:

- Employers National Insurance contributions - £3,698k (FY-2023: £2,683k),
- irrecoverable VAT - £3,187k (FY-2023: £2,658k)

Factors affecting tax credit for the year

The credit for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	FY-2024 £'000s	FY-2023 £'000s
Profit before taxation: continuing operations	<u>10,116</u>	<u>9,148</u>
Taxation at the UK corporation rate tax of 25% (2023: 23.5%)	2,529	2,150
Net permanent differences between tax and accounting	566	190
Adjustment in respect of prior year corporation tax	(83)	-
Net taxation impact of R&D tax credit claim	-	(897)
Remeasure of deferred tax asset on carry-forward losses -current year	1,556	844
Remeasure of deferred tax asset on carry forward losses - prior year	(278)	(235)
Effect of change in tax rates	-	194
Utilisation of tax losses for which no deferred tax asset was recognised	(23)	-
Utilisation of tax losses	<u>(1,556)</u>	<u>(844)</u>
	<u>2,711</u>	<u>1,402</u>

C. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding. The profit after tax attributable to ordinary shareholders of the Group is £7,405k (2023: £7,746k) and the weighted average number of shares for the period was 188,354,225 (2023: 183,624,192).

Diluted earnings per share

The calculation of diluted earnings per share has been based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares. The weighted average number of dilutive shares is 200,034,765 (2023: 193,444,728).

	Basic FY-2024	Diluted FY-2024	Basic FY-2023	Diluted FY-2023
Earnings per share	3.93p	3.70p	4.22p	4.00p
Adjusted earnings per share (note D)	10.41p	9.80p	7.16p	6.79p

D. ADJUSTED EARNINGS PER SHARE

The calculation of adjusted earnings per share has been based on the analyst community calculations, which takes profit or loss attributable to ordinary shareholders and excludes share option charges, amortisation on acquired intangibles, exceptional items, acquisition costs and tax on these items, and weighted average number of ordinary shares. The adjusted earnings after tax to ordinary shareholders of the Group is £19,606k (FY-2023: £13,139k) and the weighted average number of shares and diluted shares are as above.

E. INTANGIBLE ASSETS OTHER THAN GOODWILL

Intangible assets comprise:

	<u>Intangible</u> <u>assets</u> <u>recognised</u> <u>through</u> <u>acquisitions</u>	<u>Intangible</u> <u>assets</u> <u>acquired</u> <u>through</u> <u>internal</u> <u>capitalisation</u>	<u>Other</u> <u>intangible</u> <u>assets</u>	<u>Total, 31</u> <u>December</u> <u>2024</u>	<u>Total, 31</u> <u>December 2023</u>
<u>All in £'000s</u>					

Cost at 31.12.2023	15,074	32,207	2,530	49,811	49,811
Additions in year	-	6,518	262	6,780	
Cost at 31.12.2024	<u>15,074</u>	<u>38,725</u>	<u>2,792</u>	<u>56,591</u>	
Amortisation at 31.12.2023	(7,500)	(18,406)	(1,673)	(27,579)	(27,579)
Amortisation in the year	(1,611)	(5,361)	(419)	(7,391)	
Amortisation at 31.12.2024	<u>(9,111)</u>	<u>(23,767)</u>	<u>(2,092)</u>	<u>(34,970)</u>	
Net Book Value at 31.12.2024	<u>5,963</u>	<u>14,958</u>	<u>700</u>	<u>21,621</u>	
Net book value at 31.12.2023	<u>7,574</u>	<u>13,801</u>	<u>857</u>		<u>22,232</u>

F. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

The Group does not take house positions on foreign exchange contracts. Each contract with a customer is contemporaneously booked with a bank or liquidity provider. Under accounting standards however, the contracts need to be valued as both a 'purchase' and a 'sale'. The valuation of these contracts is done by a third party using information sourced from Hedgebook.

G. RECONCILIATION FROM OPERATING PROFIT TO ADJUSTED EBITDA

	FY-2024 £'000s	FY-2023 £'000s
Operating profit	10,006	8,934
Add back:		
Depreciation	1,161	1,228
Amortisation	7,391	7,048
Acquisition expenses	-	1,377
Separately reported items	3,638	714
FX differences	33	346
Share Option charges	2,386	1,419
Other Share Option charges	3,659	30
Contingent Consideration	-	(459)
Adjusted EBITDA	<u>28,274</u>	<u>20,637</u>

- ENDS -



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