RNS Number : 2322M
CAB Payments Holdings PLC
13 September 2023

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CAB Payments Holdings plc

("CAB Payments" or the "Group" or the "Company")

Results for the Six Months Ended 30 June 2023

CAB Payments, a market leader in business-to-business cross-border payments and foreign exchange, specialising in hard-to-reach markets, announces the Company's results for the six months ended 30 June 2023.

Bhairav Trivedi, Chief Executive Officer of CAB Payments, commented:

"CAB Payments made strong progress in the first half of 2023, reflected in another set of record results and significant growth in revenue and profit. We are making strong progress against our strategic objectives, with a significant expansion of our global network, the signing of some important new clients and an ongoing shift to our digital channel, EMPower Payments Gateway. This bodes very well for the future."

Financial and Operating Summary:

- Total income up by 94% at £71.8 million vs H1 '22
- Encouraging revenue growth in all four client segments
- Adjusted EBITDA[1] £39.9 million (H1 '22: £14.3 million)
  - § Adjusted EBITDA margin[2] 56% (H1 '22: 39%)
- Strong operational and sales performance during the period
  - § Significant new client wins, underpinning future revenue growth
  - § Strong growth in proprietary network of nostro accounts and global liquidity providers
- EMPower Payments Gateway transactions increased from 9k to 41k, now serving 72 countries

Bhairav Trivedi, Chief Executive Officer of CAB Payments, further commented:

"We successfully completed our IPO on the London Stock Exchange, underscoring the confidence the market sees in the high-quality offering we provide to customers, as well as our strong financial profile. As we move into the second half of the year, the business has a number of initiatives in progress which should both provide support in the short-term and deliver long-term growth. The industry dynamics continue to be supportive to specialist providers like CAB Payments and our unique proposition and set of strengths positions the Company well to capitalise on the opportunity ahead and deliver increasing shareholder returns into the future."

Selected Financial Information from Continuing Operations (£m)	Six months ended 30 June		YoY
	2023	2022	%
Total Income	71.8	37.0	94%
Adjusted EBITDA[1]	39.9	14.3	180%
Profit before Tax	23.8	11.2	112%
Profit after Tax	14.8	9.0	65%
Earnings Per Share (pence)	6.1	3.7	65%

Total Income by Product Type from Continuing Operations (£m)	Six months ended 30 June		YoY
	2023	2022	%
FX	37.9	20.3	87%
Payments	17.1	13.2	30%

Total Transactional Revenue	**55.1**	**33.5**	**64%**
Other banking services	16.8	3.6	371%
Total Income	**71.8**	**37.0**	**94%**

[1] Adjusted EBITDA is defined as profit from continuing operations, before tax, depreciation, amortisation and non-recurring operating expenses.

[2] Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Total Income.

Note: Rounding - Certain data in this document has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

Analyst and Institutional Investor webcast

A presentation webcast and live Q&A conference call for analysts and institutional investors will take place on September 13th 2023 at 9.30 am UK Time, and a webcast of the presentation will be made available on the Company's website at https://www.cabpayments.com/investors.

To register for this event, please go to:
https://www.lsegissuerservices.com/spark/CABPAYMENTSHOLDINGS/events/4bf580d6-59d6-4569-9585-249a2b0d1a59

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Chair's Introduction

With our first set of results as a listed business, I wanted to introduce myself as Chair of CAB Payments and provide some context to the journey ahead.

I recognise the importance of great governance and oversight in any business and particularly in a company which has recently been brought to the public markets with such exciting ambitions and prospects. I am delighted to have been asked to lead such a talented Board of Directors and I am also pleased that the Board is comprised of such a diverse range of individuals, from a cultural, commercial and experience background. This will be essential as we seek to provide guidance for a global business, such as CAB Payments.

CAB Payments is a leader in a sizeable niche. Being able to safely, rapidly and cost-effectively move funds around the world within the confines of a complex regulatory environment can be a daunting task, and it is one best left to the experts. It is also a market which is growing rapidly and coming under additional scrutiny in a shifting geo-political environment. This provides a great opportunity and comes with great responsibility; it is here that CAB payments stands out. Compliance is a watchword for the Company and the maintenance of our UK banking licence ensures we meet the highest standards and this raises us above the competition.

Our people are key to our success and I believe we have great people. Their efforts recently in bringing about the successful market Listing, while not losing sight of the day job or impacting our service to clients were exceptional. Simultaneously, we have been building a business fit for the future; this is testament to the quality of our people.

Our growth plans have been well communicated and understood. We believe that successful strategic and operational delivery will result in superior shareholder returns. In the short term our priority is to invest in the business where we see the best opportunities, in new clients, segments and markets. We are pursuing a growth agenda; our market is expected to grow rapidly, and our business is intent on gaining share. This will require reinvestment and should provide growth in revenue, profits and cash generation as a reward. The Board will keep the capital allocation under review and will always seek to make the right choice to maximise long-term and sustainable shareholder value.

I very much look forward to addressing you again at the time of the 2023 Full Year financial results in 2024.

Ann Cairns
Chair
12 September 2023

Chief Executive Officer review

Strategic context

CAB Payments is a market leader in business-to-business cross-border payments and foreign exchange, specialising in hard-to-reach markets. The Group is a significant and growing operator in a large and expanding market. Success is dependent on continued focus on what we do best, offering an unrivalled and cost-efficient service to financial and commercial institutions and governmental bodies. The Group has excelled due to the strength of its payments network and global relationships, both partners and clients.

CAB Payments has a number of significant growth drivers underpinning its long-term development:

- Large, fast-growing addressable market
- Ongoing transition to specialist providers
- Blue chip client base
- Global network and infrastructure
- Market-leading proposition
- Positive global impact

Our current Total Addressable Market is increasing by approximately 20% per year, from an estimated $2.3 trillion of financial flows in 2022. In addition, CAB Payments, supported by a global strategy consulting firm, estimates that traditional banks represented 85% of total revenue within our addressable market in 2022;

this is forecast to decline to less than 60% by 2027, as specialists like CAB Payments replace legacy bank bilateral networks.

The consistent investment in our technology platform and our growing network of banking relationships positions mean we are well positioned to continue to gain market share and outperform competitors in our rapidly growing market.

Business Performance

In the period, the Group continued to build on its track record of strong profitable growth, increasing adjusted EBITDA margins and profit after tax.

Revenue growth in the business and in Payments and FX

For the six months ended 30 June 2023, total income[1] was £71.8 million, an increase of 94% from £37.0 million for the same period in the prior year. Significant growth was seen across the business, with our strategic business lines (FX and Payments) together increasing to £55.1 million from £33.5 million for the same period in prior year, an increase of 64%.

Our core payments and FX business, outside of the Nigerian corridor, grew from £20.4 million in H1 '22 to £33.1 million for H1 '23, a growth rate of 62%. Activity here normalised through what was a quieter second quarter for the Company, with some temporary headwinds, which are now abating. The normalisation in Naira activity in the second quarter was offset by an increase in net interest income (NII), delivering £15.8 million in the half year period, up from £2.2 million in the prior year. We separate out these elements in the Financial Review below to provide a clearer understanding of the underlying business.

Income seasonality exists in the business, driven by client demand. March and September see central bank debt repayments from Africa to China and the Middle East. December is the peak month for aid flows, as annual budgets are cleared, and the fourth quarter (''Q4'') is the high point for remittance as Diwali and Christmas drive spikes in demand. Although it is impossible to be precise due to the rapid growth in revenue, we generally assume the business achieves around 40% of annual revenue in H1 and 60% in H2.

EBITDA expansion and margin improvement

Adjusted EBITDA[2] increased to £39.9 million for the six months ended 30 June 2023, from £14.3 million in H1 '22, with adjusted EBITDA margin[3] increasing from 39% to 56%, reflecting our topline growth, the operating leverage inherent in our business and well managed costs. Reported profit after tax from continuing operations in the period increased to £14.8 million from £9.0 million in the same period in the prior year.

Our investment plans remain unchanged. In the period we invested in our business across products, people and network, which is reflected in our recurring operating costs[4] for the period of £32.1 million (H1 '22: £22.6m) and intangibles capex of £2.0 million (H1 '22: £2.0m). In H2 '23, we expect to accelerate our investment as we seek to expand our international footprint, including sales offices in the US and Europe, a sales and trading office in Asia and eventually deeper licensing and dollar clearing in the US.

Ongoing client sales and momentum with existing clients

The strength of our value proposition and our global reach continue to be validated by the retention of existing clients and the number of new blue-chip clients around the world beginning to use our products and services. In the first six months of this year, we onboarded 44 new clients and signed several others that are progressing through the systematic onboarding process. Highlights from this period include:

- Significant new clients in several regions, including Santander Group/PagoNxt
- Signing client agreements with the three largest exchange houses in the United Arab Emirates
- Strengthened our position as the go-to-provider to the development sector, signing major new International Development Organisation (''IDO'') clients

- All four client segments grew from H1 '22 to H1' 23; non-bank financial institutions by 67%, emerging market financial institutions by 29%, IDO's by 91% and Major Market Banks by 73%. These figures are all excluding Nigerian Naira and are higher if Naira is included

[1] Total Income when referring to the Group's financial results means "total income, net of interest expense" as reported in the interim condensed consolidated statement of profit or loss and other comprehensive income.

[2] Adjusted EBITDA is defined as profit from continuing operations, before tax, depreciation, amortisation and non-recurring operating expenses - see note 3 to the interim condensed consolidated financial statements.

[3] Adjusted EBITDA margin is defined as Adjusted EBITDA divided by Total Income

[4] Recurring operating costs excluding depreciation and amortisation

Network growth in breadth and depth

The Group's network continues to grow to meet expanding client demand, ensuring our ability to provide fast, competitively priced, and reliable transactions across our target markets, and extending our overall addressable market.

The Group grew its proprietary network of global Nostro accounts to 152, with a total of 180 partners through which the Group is able to execute transactions. The Group also expanded its pool of global liquidity providers, reaching a total of 291 liquidity providers around the world. Notably, our network expansion accelerated in geographic areas outside of our historical target markets, including Eastern Europe, Central Asia and Pacific islands. Our network is underpinned by our UK banking licence and, with it, bank-grade anti-money laundering ("AML") policies; these provide great assurance to our clients and partners and help differentiate CAB Payments from the competition.

Further growth in key products

The Group's core foreign exchange and cross-currency payments business lines continued to grow rapidly, reflecting ongoing product investment and the focus on serving customer needs. The Group's differentiated access to emerging market liquidity is at the centre of core transaction flows.

The Group continued to invest to support internal and external software development efforts, resulting in further product functionality improvements. In payments, we increased the number of cross-currency transactions executed through our Payments Gateway, EMPower, from 9k in H1 '22 to 41k in H1 '23. As at the end of H1 '23, EMPower Payments Gateway processes transactions for 72 countries. From an FX perspective, we continued to increase the proportion of trades executed through digital channels, reaching just over 92% in H1 '23, up from 87% in H1 '22. This enhances client experience and increases the operational and cost-efficiency of our trading operations. The number of currency pairs we are able to offer increased by 100 to over 600 at the period end.

Solidifying CAB Payments - global footprint

The Group has begun the process of developing a corporate presence outside of our traditional UK headquarters, enabling us to be closer to our current and future clients and partners. Both Europe and the US are significant new opportunities for us.

In Europe, following the exit of the UK from the European Union ("Brexit"), the Group has faced limitations on its ability to proactively conduct outreach activities to clients. On 25 November 2022, we applied to the De Nederlandsche Bank ("DNB"), the lead prudential bank regulator in the Netherlands, for a payment institution licence. We hired a board of directors and an office head to help guide us through the process and oversee the business once we are operational.

In the US, the Group is preparing to submit applications to the Federal Reserve Bank in New York and the New York State Department of Financial Services, for permission to open a representative office. The New York office will serve as a hub for our engagement with clients in the Americas. We have now recruited a

General Manager for the New York office, with the relevant experience to guide this process and develop the business in the future.

Scaling our diverse, growing team supporting business performance

We are actively increasing our staff numbers and expertise, with careful consideration of our diversity goals, in line with our plans for scaling the business and the opportunities we see for growth. We have increased our capabilities and employee numbers across all our functions, with a particular focus on sales, technology and compliance. The number of full-time equivalent staff employed within the Group, was 344 at 30 June 2023, up from 225 at 30 June 2022. We are also delighted with the range of skills and experience within our plc Board of Directors, which is 60% comprised of female members vs the FTSE 350 average of 40%. The investment in our people is aligned with our investment in the technology and sales infrastructure and we now have the right engine for growth across the business.

Outlook for 2023

While it is still early in the second half, trading during the third quarter has improved and is returning to more normal levels, and September and the end of the fourth quarter are traditionally the busiest periods for the business. These trends, along with a number of initiatives already in progress, provide confidence both in the short-term outlook and the prospects for medium-term growth. The industry dynamics continue to be supportive to specialist providers like CAB Payments and our unique proposition and set of strengths positions the Company well to deliver increasing shareholder returns into the future.

Bhairav Trivedi
Chief Executive Officer
12 September 2023

Financial Review

Total Income[5]

Total Income by Product Type from Continuing Operations (£m)	Six months ended 30 June		YoY
	2023	2022	%
FX	37.9	20.3	87%
Payments	17.1	13.2	30%
Total Transactional Revenue	**55.1**	**33.5**	**64%**
Other banking services	16.8	3.6	371%
Total Income	**71.8**	**37.0**	**94%**

[5] Rounding - Certain data in this document has been rounded. As a result of the rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

Overall

The total income for the six months ended 30 June 2023 was £71.8 million; of this £41.3 million in the first quarter and £30.5 million in the second quarter. We typically record higher revenues in the second half of each year due to client demand spikes in September from debt repayments, December from annual aid flows and Q4 from gift giving holidays. Although it is impossible to be precise due to the rapid growth in revenue, we generally assume the business achieves around 40% of annual revenue in H1 and 60% in H2. In 2022, total income was £109 million, of which £37 million (34%) was delivered in the first half of the year and £72 million (66%) in the second half.

Transactional revenue: Payments and FX

Further Analysis of Transactional Revenue (£m)	Six months ended 30 June		YoY
	2023	2022	%
FX and Cross Currency excl. Naira ("NGN")	33.1	20.4	62%
FX and cross-currency: NGN	15.2	6.0	155%
Ancillary Payments: Same Currency / Pension / Platform	6.7	7.1	(1)%
Total Transactional Revenue	**55.1**	**33.5**	**64%**

FX and cross currency payments, excluding Nigeria business, grew by 62% year on year to £33.1 million (H1 '22: £20.4 million). This is consistent with long-term core growth and guidance and historic seasonality. The business typically sees a stronger Q1 than Q2, driven by central bank regular debt repayments at the end of March.

Foreign exchange into Nigeria delivered revenue of £15.2 million (H1 '22: £6.0 million) and is reported in the FX and Payments business lines. NGN income reduced from £11.1 million in Q1 to £4.1 million in Q2. By the end of the second quarter, NGN activity had normalised in line with levels pre-2022 but is expected to continue to be one of our larger revenue corridors.

Ancillary payments revenue streams, such as same currency, pension and platform payments were broadly in line with the same period in the prior year at £6.7 million (H1 '22: £7.1 million).

Other Banking Services

Other Banking Services is primarily net interest income (NII), as well as trade finance and liquidity services. Other Banking Services revenue for the six months ended 30 June 2023 was £16.8 million, up from £3.6 million for the prior period. This increase was driven by an increase in NII, which was £15.8 million for the period compared to £2.2 million for the prior period[6], reflecting the impact of Federal Reserve and Bank of England interest rate rises. This revenue line is expected to continue to reflect movements in these rates.

[6] See note 3 to the interim condensed consolidated financial statements. NII reported internally under Other Banking Services relates to returns from short-term investments in the money market.

Profit and loss

Continuing Operations Income Statement (£m)	Six months ended 30 June		YoY
	2023	2022	%
Total Income	71.8	37.0	94%
Clearing costs	(0.9)	(1.0)	(4%)
Staff related costs	(21.3)	(14.7)	45%
Recurring other operating expenses	(9.7)	(7.1)	37%
Adjusted EBITDA	39.9	14.3	180%
Adjusted EBITDA margin %	*56%*	*39%*	*17ppts*
Depreciation and amortisation	(3.0)	(3.1)	(2%)
Non-recurring operating expenses	(13.1)	-	n.m.
Profit before Tax	23.8	11.2	112%
Tax	(9.0)	(2.2)	
Profit after Tax	14.8	9.0	65%

Staff related costs increased to £21.3 million in the first half of 2023 compared to £14.7 million in H1'22 as a result of higher average number of employees (H1 '23: 313 FTE's, H1 '22: 212 FTE's), as the business continues to invest for sustainable revenue growth, the impact of annual performance and inflationary staff increases and an increase in variable pay, which is accrued for based on a percentage of salaries.

The revenue growth and the operating leverage of the business model drove adjusted EBITDA up by 180% to £39.9 million (H1 '22: £14.3 million) and adjusted EBITDA margin up by 17 percentage points to 56% (H1 '22: 39%).

Non-recurring items in 2023 primarily reflect the professional fees incurred as a result of the listing process undertaken in the first half of the year, as well as non-performance staff bonuses relating to recruitment commitments on listing.

Profit Before Tax was up by 112% at £23.8 million (H1 '22: £11.2 million).

Taxation

The tax charge arising during the period of £9.0 million (H1 '22: £2.2 million) indicates an effective tax rate of 38%, which reflects adjustments for disallowable costs associated with the listing. The tax rate takes account of the corporation tax rate and banking surcharge. The effective tax rate for the current year is expected to be between 31% and 33%.

Investments

Capital Expenditure for the six months ended 30 June 2023 was £2.2 million (H1 '22: £2.1 million), of which £2.0 million (H1 '22: £2.0 million) related to capitalised software. We continue to estimate that capital investments for the 2023 year will be c.8% of total income, based on projects in progress and in the pipeline.

Balance Sheet and Cashflow

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 23 were £1,246 million, compared to £1,306 million at 31 December 2022. The customer accounts represent demand deposit accounts of corporate and other institutional customers held with Crown Agents Bank. A substantial proportion of customer accounts are US dollar accounts. Accordingly, the movement in the balance between periods is largely due to changes in USD/GBP exchange rates.

Cashflow metrics (£m)	Six months ended 30 June		YoY
	2023	2022	%
Operating Free Cash Flow[7]	37.9	12.3	208%
Cash Conversion[8]	95%	86%	

[7] Operating Free Cash Flow is defined as Adjusted EBITDA of £39.9 million (H1 '22: £14.3 million) less purchase of intangible assets of £2.0 million (H1 '23: £2.0 million).

[8] Defined as Operating Free Cash Flow, divided by Adjusted EBITDA.

Operating free cash flow grew from £12.3 million in the six months ended 30 June '22 to £37.9 million in the six months ended 30 June 2023, demonstrating the strong cash flow that the business has delivered as it continues to scale up, whilst at the same time making investments in intangibles assets of £2.0 million (H1 '22 £2.0 million).

Disposal of CAIM and JCF

Crown Agents Investment Management Limited (referred to as "CAIM") and JCF Nominees Limited (referred to as "JCF") were controlled by the Group until 31 March 2023. The company reported a gain on disposal of £68k on completion of the disposal of CAIM and JCF. The financial statements report the results of CAIM and JCF as discontinued operations and assets/liabilities held for sale.

Dividends

Prior to Listing the Company declared dividends to its shareholders amounting to £5.6 million on 26 April 2023 and £5.7 million on 1 June 2023 (six months ended 30 June 2022: nil).

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 is payable externally to CAB Tech Holdco Limited minority shareholders.

Listing and Reorganisation

The Company was re-registered as a public limited company on 4 July 2023.

On 11 July 2023 the Company's shares were admitted to trading on the London Stock Exchange ("Admission"). After 30 June 2023, but immediately prior to Admission, the final Reorganisation steps were implemented which included:

(a) The Company split its existing 10,000 B ordinary shares of £0.5913044 each into 5,913,044 B ordinary shares with a nominal value of £0.001 each

(b) A ordinary shares and B ordinary shares in issue at 30 June 2023 were re-designated into a new single class of ordinary shares with a nominal value of £0.001 each

(c) Each of the Ordinary Shares was then subdivided into three Ordinary Shares with a nominal value of 0.033⅓ pence each

(d) Following this step, the company's share capital comprised 221,739,135 ordinary shares

(e) The Company issued 32,404,083 Ordinary Shares to shareholders in CAB Tech Holdco Limited in exchange for CAB Tech Holdco Limited's shares

Following step (e) at Admission 254,143,218 Ordinary Shares are in issue.

Alternative Earnings per share on a post reorganisation basis

Earnings per share calculated in accordance with IAS 33 for the six months ended 30 June 2023 and 30 June 2022 is 6.1 pence per share and 3.7 pence per share respectively (see Note 22 in the Interim Condensed Consolidated Financial Statements). Earnings per share excludes the effects of the shares issued to shareholders of CAB Tech Holdco Limited (CTH) (see step (e) above).

In order to provide an indication of the effect of the issue of shares to CTH shareholders and reflect the number of shares in issue on Admission we present an alternative earnings per share:

Alternative Earnings per Share	**Profit after tax**	**Shares in Issue**	**Earnings Per share**
Six months ended 30 June 2023	**£'000**	**Number**	**pence**
Earnings per share per IAS33	13,578[1]	221,739,135	**6.1**
Impact of share exchange on non-controlling interest and shares in issue	1,024[2]	32,404,083[3]	
Alternative earnings per share on a post-Reorganisation basis	14,602	254,143,218	**5.7**
Six months ended 30 June 2022			
Basic and fully diluted earnings per share per IAS33	8,247[1]	221,739,135	**3.7**
Impact of share exchange on non-controlling interest and shares in issue	617[2]	32,404,083[3]	
Alternative earnings per share on a post-Reorganisation basis	8,864	254,143,218	**3.5**

[1] Profit after tax for the period attributable to owners of CAB Payments

[2] Profit after tax for the period attributable to Non-controlling interests

[3] Number of CAB Payments shares issued in the share exchange see "Listing and Reorganisation" above

The alternative earnings per share have been calculated using the unweighted number of Ordinary Shares issued by the Company as at date of Admission as the denominator. The numerator includes the profit after tax for the period ended 30 June 2023 attributable to the parent and to non-controlling interests.

The alternative earnings per share for the period ended 30 June 2022 has been calculated on the same basis.

Alternative earnings per share on a post-reorganisation basis for the six months ended 30 June 2023 and 30 June 2022 are 5.7 pence per share and 3.5 pence per share respectively.

Related Parties

Please refer to note 25 to the interim condensed consolidated financial statements where detailed disclosures on related parties are made.

Principal Risks and Uncertainties

The principal risks which could have a material impact on the Group's performance as set out in the Group's prospectus dated 27 June 2023, remain valid at the date of this report and for the remainder of the financial year. The key risks in no specific order of priority are:

- The Group receives certain services from third parties that are significant for its business and changes or failures in the provision of these services by third parties could impact the Group's services
- The Group's growth may not be sustainable at its current levels in the future, which could have an adverse impact on its business and future prospects
- The Group's business is dependent on the macroeconomic and political environment in the countries where it provides products and services
- The Group's earnings could be negatively impacted by fluctuations in FX rates
- Employee misconduct or errors may be unable to be prevented or deterred by the Group and may cause financial loss or damage to the Group's reputation
- The Group's business is reliant on its ability to attract, retain, and develop highly-skilled employees
- The Group may not be able to retain its existing customer base, which could affect its business and results of operations
- As the Group expands its products and services globally, it may face challenges that could adversely affect its business or future growth
- As a result of containing a UK-regulated bank, the Group is subject to extensive legislation and regulation, and any failure by the Group to comply with applicable laws and regulations could expose it to significant costs and reputational damage
- The Group allows customers to send cross-border payments to and from numerous jurisdictions outside the United Kingdom, which exposes it to a variety of laws and regulations. Any failure by the Group to comply with these local laws could have an adverse effect on its business
- The Group is subject to laws and regulations relating to anti-money laundering, counterterrorism, anti-bribery, and sanctions, and any failure by the Group to prevent or detect violations to these could expose the Group to liability
- The Group is dependent on its technology, and any service delays, system failures, cyberattacks, or other interruptions could disrupt the Group's ability to continue to provide its products or services, harm the Group's reputation and/or subject it to other liabilities

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 25.

The Directors of CAB Payments Holdings plc are listed in the Prospectus, taking effect from Admission to London Stock Exchange. There have been no changes of director since Admission. 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,

Bhairav Trivedi
Chief Executive Officer

Richard Hallett

Chief Financial Officer

12 September 2023

Independent Review Report to CAB Payments Holdings plc

Conclusion

We have been engaged by CAB Payments Holdings plc (the "Company") and its subsidiaries (the "Group") to review the condensed set of consolidated financial statements in the half-yearly interim financial report for the six months ended 30 June 2023 which comprises the interim condensed consolidated statement of profit or loss and 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 30.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2023 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, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. 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.

We have not audited or reviewed the financial information for the six months ended 30 June 2022 which has been included for comparative purposes only and accordingly do not express an opinion or conclusion thereon.

We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.
As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted International Accounting Standards. The condensed set of 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 for 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 this ISRE (UK) 2410, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim 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-year report, we are responsible for expressing to the Company a conclusion on the condensed set of consolidated financial statements 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 Company in accordance with International Standard on Review Engagements (UK) 2410 issued by the Financial Reporting Council and our Engagement Letter dated 3 August 2023. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Mazars LLP

Chartered Accountants
30 Old Bailey
London EC4M 7AU

12 September 2023

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 and other comprehensive income for the six months ended 30 June 2023

		Six months ended 30 June	
	Note	**2023** £'000	**2022** £'000
Continuing operations			
Interest income			
- interest income calculated using Effective Interest Rate (EIR)	4	23,681	3,994
- other interest and similar income	4	82	1
Interest expense	4	(12,724)	(1,627)

Net Interest Income		**11,039**	**2,368**
Gains on Money Market Funds		4,551	501
Net gain/(loss) on financial assets mandatorily held at fair value through profit or loss		1,089	(78)
Fees and commission income	5	6,981	7,502
Net foreign exchange gain	6	48,152	26,735
Total income, net of interest expense		**71,812**	**37,028**
Operating expenses		(48,339)	(25,658)
- Recurring	7	(35,199)	(25,658)
- Non-recurring	7	(13,140)	-
Reversal of impairment / (impairment loss) on financial assets at amortised cost		321	(171)
Profit before taxation		**23,794**	**11,199**
-Tax expense	8	(9,039)	(2,240)
Profit after tax for the period from continuing operations		**14,755**	**8,959**
Discontinued operations			
Loss after tax for the period from discontinued operations	9	(153)	(95)
Profit for the period		**14,602**	**8,864**

The notes on pages 19 to 54 form part of these interim condensed consolidated financial statements

Interim condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 June 2023 (continued)

		Six months ended 30 June	
		2023	**2022**
		£'000	**£'000**
Profit for the period attributable to:	Note		
- Owners of the parent		13,578	8,247
- Non-controlling interests	23	1,024	617
		14,602	**8,864**
Other comprehensive income for the period:			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange (losses)/gains on translation of foreign operations		(138)	51
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		-	88
Income tax relating to these items		-	(17)
Other comprehensive (loss)/ income for the period net of tax		**(138)**	**122**
Total comprehensive income for the period		**14,464**	**8,986**
Total comprehensive income attributable to:			
- Owners of the parent		13,450	8,360
- Non-controlling interests	23	1,014	626
		14,464	**8,986**

		Six months ended 30 June	
		2023	**2022**
Basic and diluted earnings per share	22	**pence**	**pence**
Continuing operations		6.2	3.8
Discontinued operations		(0.1)	(0.1)
Total basic and diluted earnings per share		**6.1**	**3.7**

The notes on pages 19 to 54 form part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of financial position as at 30 June 2023

	Note	As at 30 June 2023 £'000	As at 31 December 2022 (restated) £'000
Assets			
Cash and balances at central banks	10	577,572	607,358
Money market funds	11	164,982	209,486
Loans and advances on demand to banks	12	107,917	90,209
Other loans and advances to banks	12	70,270	85,465
Other loans and advances to non-banks	12	5,242	12,447
Derivative financial assets	13	4,048	6,567
Unsettled transactions	15	16,265	12,960
Investments in debt securities	14	432,534	414,061
Investments in equity securities		473	488
Other assets	15	22,732	19,520
Accrued income	26	814	856
Property, plant and equipment	16	1,313	1,579
Right of use assets		913	1,134
Intangible assets	17	21,529	21,919
		1,426,604	**1,484,049**
Assets classified as held for sale	9	-	1,387
Total assets		**1,426,604**	**1,485,436**
Liabilities			
Customer accounts	18	1,245,989	1,305,551
Overdrawn accounts		77	-
Derivative financial liabilities	13	8,023	4,543
Unsettled transactions	19	16,661	25,782
Other liabilities	19	17,091	11,517
Accruals	19	14,926	19,364
Lease liabilities	26	1,113	1,281
Deferred tax liability		480	316
Provisions		12	79
		1,304,372	**1,368,433**
Liabilities classified as held for sale	9	-	1,045
Total liabilities		**1,304,372**	**1,369,478**
Equity			
Called up share capital	20	74	68,010
Retained earnings	21	114,701	40,179
Investment revaluation reserve		96	96
Foreign currency translation reserve		(159)	(31)
Equity attributable to owners of the parent		**114,712**	**108,254**
Non-controlling interests	23	7,520	7,704
Shareholders' funds		**122,232**	**115,958**
Total equity and liabilities		**1,426,604**	**1,485,436**

The notes on pages 19 to 54 form part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of changes in equity for the six months ended 30 June 2023

	Attributable To Owners Of The Parent

	Attributable To Owners Of The Parent						
	Share Capital	Retained Earnings	Investment revaluation reserve	Foreign currency translation reserve	Total	Non-Controlling Interest (NCI)	Total Shareholders' Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Share Capital	Retained Earnings	Investment revaluation reserve	Foreign currency translation reserve	Total	Non-Controlling Interest (NCI)	Total Shareholders' Funds
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2023	**68,010**	**40,179**	**96**	**(31)**	**108,254**	**7,704**	**115,958**
Profit for the period (note 21)	-	13,578	-	-	13,578	1,024	14,602
Other comprehensive income:							
Foreign exchange losses 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 in subsidiary (note 21)	-	3,330	-	-	3,330	296	3,626
Share capital reduction (note 20)	(67,936)	67,936	-	-	-	-	-
Dividends declared (note 21)	-	(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**
Balance at 1 January 2022	**68,010**	**8,442**	**30**	**(141)**	**76,341**	**5,222**	**81,563**
Profit for the period (note 21)	-	8,247	-	-	8,247	617	8,864
Other comprehensive income							
Foreign exchange gains on translation of foreign operations	-	-	-	47	47	4	51
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income - net of tax	-	-	66	-	66	5	71
Other comprehensive income	-	-	**66**	**47**	**113**	**9**	**122**
Total comprehensive income	-	**8,247**	**66**	**47**	**8,360**	**626**	**8,986**
Transactions with owners in their capacity as owners:							
Share based payment expense	-	418	-	-	418	-	418
Change in NCI percentage	-	(38)	-	-	(38)	38	-
Total	-	**380**	**-**	**-**	**380**	**38**	**418**
Balance at 30 June 2022	**68,010**	**17,069**	**96**	**(94)**	**85,081**	**5,886**	**90,967**

The notes on pages 19 to 54 form part of these interim condensed consolidated financial statements.

Interim condensed consolidated statement of cash flows for the six months ended 30 June 2023

		Six months ended 30 June	
	Note	2023	2022
		£'000	£'000
Cash flow from operating activities	24	**(21,494)**	**(122,701)**
Tax paid		(9,780)	(1,390)
Payments for interest on lease liabilities		(34)	(7)
Net cash used in operating activities		**(31,308)**	**(124,098)**
Cash flow from investing activities			

Purchase of property, plant and equipment	16	(160)	(99)
Purchase of intangible assets	17	(2,017)	(1,950)
Proceeds from sale of investment in CAIM	9	1,846	-
Net cash used in investing activities		**(331)**	**(2,049)**
Cash flow from financing activities			
Repayment of principal portion of the lease liability		(168)	(168)
Proceeds from shares issued to non-controlling interests		3,626	-
Dividends paid		(12,840)	-
Increase in overdraft accounts		77	853
Net cash inflow from financing activities		**(9,305)**	**685**
Net decrease in cash and cash equivalents		**(40,944)**	**(125,462)**
Cash and cash equivalents at the beginning of the period		907,053	1,120,109
- Cash and balances at central banks		607,358	676,492
- Money market funds		209,486	336,737
- Loans and advances on demand to banks		90,209	106,880
Exchange (losses)/ gains on cash and cash equivalents		(15,638)	44,986
Cash and cash equivalents at the end of the period	10	**850,471**	**1,039,633**

The notes on pages 19 to 54 form part of these interim condensed consolidated financial statements.

Notes to the interim condensed consolidated financial statements for the six months ended 30 June 2023

1. STATEMENT OF ACCOUNTING POLICIES

(a) General Information

On 6 March 2023 the Company changed its name to CAB Payments Holdings Limited from CABIM Limited. 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 is Quadrant House, The Quadrant, Sutton, Surrey, SM2 5AS. The ordinary shares of the Company were admitted to conditional trading on the London Stock Exchange on 6 July 2023 and unconditional trading on 11 July 2023. The Company's shares trade under the ticker code of CABP.L.

CAB Payments Holdings plc ("the Company" or "CAB Payments") and its subsidiaries ("the Group") provide regulated banking services that connect emerging and frontier markets to the rest of the world, using foreign exchange ("FX") and payments technology.

(b) Basis of Preparation

The interim condensed consolidated financial statements comprises the interim condensed consolidated statements of profit or loss and other comprehensive income, interim condensed consolidated statement of financial position, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows and related notes of the Group for the six months ended 30 June 2023.

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 2022, 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 Financial Statements for the year ended 31 December 2022 from which the comparative information as at 31 December 2022 has been derived. The interim condensed consolidated financial statements dated 30 June 2023 have been reviewed, not audited. The interim condensed consolidated financial statements dated 30 June 2022 have not been audited or reviewed, while comparative financial statements dated 31 December 2022 have been audited as part of the 2022 financial statements unless noted.

Comparatives have been restated in line with current year disclosures. Details of these changes are set out in Note 12. This restatement 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 ("GBP"). All values are rounded to the nearest thousand (GBP£'000), except when otherwise indicated.

(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 Financial Statements for the year ended 31 December 2022 and those expected to be applied in the year to 31 December 2023.

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 2023, none of which had any impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 8 Accounting Policies	Changes in accounting estimates and errors/ definition of accounting estimates - effective for annual reporting periods commencing 1 January 2023.
Amendments to IAS 12	Implementation of Pillar 2 tax - effective for annual reporting periods commencing 1 January 2023.
Amendments to IFRS 17 Insurance Contracts	Effective for annual reporting periods commencing 1 January 2023.
Amendments to IFRS Practice Statement 2 Making Materiality Judgements - Disclosures of Accounting Policies	Effective for annual reporting periods commencing 1 January 2023.

(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 1	Classification of Liabilities as Current or Non-current - effective 1 January 2024.

The directors do not expect that the revision of the Standard listed above will have a material impact on the interim condensed consolidated financial statements of the Group in future periods.

(e) New sustainability standards issued by the International Sustainability Standards Board (ISSB) effective 1 January 2024

The International Sustainability Standards Board (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

They have not yet been adopted for use in the UK. The Directors are in the process of assessing the implications of these standards.

(f) Going concern

The Directors have considered the financial position of the Group, including the net asset position, regulatory capital requirements and estimated future cash flows and have concluded that there is reasonable expectation that the Group have adequate resources to continue in operational existence for a period of 12 months from when these interim condensed consolidated financial statements are authorised for issue and that the Group will be able to meet its obligations as they fall due. Furthermore, 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 significant judgements made by management in determining whether the adoption of the going concern is appropriate and
iii. there are no material uncertainties to disclose in respect of going concern.

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

(g) Share capital

On issue of ordinary shares, any consideration received net of any directly attributable transaction costs is included in equity.

(h) 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 the parent entity 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.

(i) Dividend

Dividends are recognised in the financial statements when they are declared and approved by the Board of Directors. This is because the approval of a dividend creates a legal obligation for the Company to pay the dividend to its shareholders. Dividends are paid out of distributable reserves which are defined as the net profit for the period plus any undistributed profits brought forward.

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. Management assessed that there were no material changes in the current period to the critical accounting estimates and judgements, as disclosed in Note 2 in the 2022 Annual Report and Financial Statements.

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 adjusted Earnings Before Interest, Tax, Depreciation, Amortisation and Non-recurring operating expenses ('' Adjusted 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 and all non-current assets, other than financial instruments and deferred tax assets, are located in the UK.

Income

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

Income by Product Type **Six months ended 30 June 2023**	**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**
Other comprehensive income for the period			
Foreign exchange loss on translation of foreign operations	(138)	-	(138)
	71,674	**927**	**72,601**
Less clearing costs	(928)	-	(928)
Revenue net of interest expense	**70,746**	**927**	**71,673**

Income by Product Type **Six months ended 30 June 2022**	**Continuing operations £'000**	**Discontinued operations £'000**	**Total £'000**
FX	20,284	(39)	20,245
Payments	13,185	1,619	14,804
Banking services	3,559	-	3,559
Total income net of interest expense	**37,028**	**1,580**	**38,608**
Other comprehensive income for the period			
Foreign exchange gain on translation of foreign operations	51	-	51
Movement in investment revaluation reserve for equity instruments at fair value through other comprehensive income	71	-	71
	37,150	**1,580**	**38,730**
Less clearing costs	(982)	-	(982)
Revenue net of interest expense	**36,168**	**1,580**	**37,748**

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.

Payments: The Group's payments revenue include 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.

Same currency relates to payment 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: as a growing business, the Group typically records higher revenues in the second half of the year largely driven by FX. The business achieves 40% of annual revenue in H1 and 60% in H2. For example, total income for FY22 was £109 million, of which £37 million (33%) was in the first half of the year and £72 million (66%) in the second half.

Profitability: The Group measures profitability for the reporting segment on an Adjusted EBITDA. Adjusted EBITDA is used as a key profit measure because it shows the results of normal, core operations exclusive of income or charges that are not considered to represent the underlying operational performance. Adjusted 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, and non-recurring operating expenses, as well as items relating to capital structure.

Reconciliation of Profit before tax to Adjusted 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:			
Amortisation (Note 7)	2,372	13	2,385
Depreciation[1] (Note 7)	636	-	636
Non - recurring operating expenses (Note 7)	13,140	-	13,140
Adjusted EBITDA[2]	**39,942**	**(206)**	**39,736**

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

2. Adjusted EBITDA - Earnings before Interest (but including net interest income - see note 4) Tax, Depreciation and Amortisation and non-recurring operating expense

Reconciliation of Profit before tax to Adjusted EBITDA Six months ended 30 June 2022	**Continuing operations £'000**	**Discontinued Operations £'000**	**Total £'000**
Profit / (loss) before tax	**11,199**	**(116)**	**11,083**
Adjusted for:			
Amortisation (Note 7)	2,503	26	2,529
Depreciation[1] (Note 7)	566	-	566
Non - recurring operating expenses (Note 7)	-	-	-
Adjusted EBITDA[2]	**14,268**	**(90)**	**14,178**

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

2. Adjusted EBITDA - Earnings before Interest (but including net interest income - see note 4) Tax, Depreciation and Amortisation and non-recurring operating expense

Note: the 31 December 2022 financial statements included a breakdown of the Continuing Operations category between Crown Agents Bank Limited and Other. Due to the immateriality of this second category the analysis not been provided in these financial statements.

4. NET INTEREST INCOME

Net Interest Income	**six months ended 30 June 2023 £'000**	**2022 £'000**
Interest Income		
Interest on cash and balances at central banks	13,424	2,045
Interest on loans and advances	2,632	1,264
Interest on investment in debt securities	7,625	685
Total interest income calculated using EIR	**23,681**	**3,994**

Other interest income and similar income	82	1
Total other interest and similar income	**82**	**1**
Interest Expense		
Financial liabilities measured at amortised cost	(12,646)	(1,614)
Interest expense on lease liabilities	(34)	(7)
Other interest expense	(44)	(6)
Total interest expense	**(12,724)**	**(1,627)**
Total Net Interest Income	**11,039**	**2,368**

5. FEES AND COMMISSION INCOME

	Six months ended 30 June	
	2023	**2022**
	£'000	**£'000**
Fees and commission income:		
Account management and payments	5,764	5,761
Pension payment fees	527	523
Trade finance	327	363
Electronic platform fees	363	445
Introductory fees	-	410
Total fees and commission income	**6,981**	**7,502**

6. NET FOREIGN EXCHANGE GAIN

	Six months ended 30 June	
	2023*	**2022***
Net Foreign Exchange Gain:	**£'000**	**£'000**
Profit on settlement of foreign exchange contracts, fair value gains on derivatives**, and remeasurement of non-sterling balances	37,944	20,285
Foreign exchange gains on payment transaction revenue	10,208	6,450
Net Foreign Exchange Gain	**48,152**	**26,735**

*Includes only continuing operations. Net foreign exchange transactions relating to discontinued operations is included in Note 9. **Foreign exchange derivative financial instruments are mandatorily held at fair value through profit or loss.

7. OPERATING EXPENSES

	Six months ended 30 June	
Operating Expenses:	**2023**	**2022**
	£'000	**£'000**
Staff costs and directors' emoluments		
Salaries and bonuses	16,615	11,783
Share based payments	1,024	418
Social security costs	1,880	1,086
Pension costs	994	657
Total staff costs and directors' emoluments	**20,513**	**13,944**
Clearing costs	**928**	**982**
Depreciation and amortisation		
Amortisation of intangible assets	2,372	2,503
Depreciation of property, plant and equipment	414	414
Depreciation charge for right-of-use assets	222	152
Total depreciation and amortisation	**3,008**	**3,069**
Other operating expenses[1]	**10,750**	**7,663**
Total recurring operating expenses	**35,199**	**25,658**

Operating Expenses:	Six months ended 30 June 2023 £'000	2022 £'000
Non-recurring operating expenses[2]	13,140	-
Total operating expenses	**48,339**	**25,658**
Non-recurring operating expenses can be analysed as follows:		
Non-performance staff bonuses relating to take-on commitments	2,254	-
Professional costs incurred in connection with the listing	10,886	-
Total Non-recurring operating expenses	**13,140**	**-**

[1] Other operating expenses includes bank charges, assurance services, software license, and other software services.

[2] Non-recurring operating expenses consist of material non-recurring items that are considered exceptional in nature by virtue of their size and/or incidence and as a result of arising outside of the normal trading of the Group.

The monthly average number of full-time equivalent staff employed within the Group, including executive directors, was 313 in the six months ended 30 June 2023 (six months ended 30 June 2022: 212).

8. TAX EXPENSE

Analysis of Tax Charge for the Period	Six months ended 30 June 2023 £'000	2022 £'000
Current tax		
Corporation tax based on the taxable profit for the period	8,913	2,256
Total current income tax for the period	**8,913**	**2,256**
Deferred tax		
Deferred tax credit in profit or loss	126	(16)
Total deferred tax expense for the period	**126**	**(16)**
Total tax charge for the period	**9,039**	**2,240**

Income tax expense for the current period is calculated representing the best estimate of the annual effective tax rate expected for the full year by geographical unit applied to the pre-tax income of the six month period, which is then adjusted for tax on non-recurring costs.

The effective tax rate for the six months ended 30 June 2023 is 38% (six months ended 30 June 2022: 20%). The effective tax rate materially exceeds the applicable tax rate since most of the non-recurring expenses, (i.e. relating to the Admission) are not deductible for tax purposes.

The Finance Act 2021 enacted that from 1 April 2023 the main corporation tax rate increased to 25% (19% previously). In addition, there is a permanent difference due to banking surcharge levy of 3% (8% previously) in relation to taxable profits of banks in excess of £100 million (£25 million previously) from 1 April 2023. The effects of this increase are reflected in the interim condensed consolidated financial statements. The figures above incorporate the increased tax rate in respect of timing differences expected to reverse after that date.

9. DISCONTINUED OPERATIONS, ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Assets and liabilities classified as held for sale	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Assets classified as held for sale	-	1,387
Liabilities classified as held for sale	-	1,045

The sale of Crown Agents Investments Managements Limited ("CAIM") and JCF Nominees Limited ("JCF") was completed on 31 March 2023. As at 31 March 2023, the Group lost control of assets totalling £1,275k and liabilities totalling £634k. The consideration of £1,846k received on sale included cash and cash equivalents of £1,611k and other amounting to £235k.

In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' the results of CAIM and JCF are presented as discontinued operations. The comparative 2022 financial statements in the interim condensed consolidated statement of profit or loss and other comprehensive income has been presented as discontinued for the purposes of enabling meaningful comparison. The results from discontinued operations, which are included in the interim condensed consolidated statement of profit or loss and other comprehensive income, are set out below:

Results from discontinued operations	**Six months Ended 30 June**	
	2023*	**2022**
	£'000	**£'000**
Interest income	25	-
Fees and commission income	830	1,603
Net foreign exchange gain/(loss)	4	(23)
Operating income	**859**	**1,580**
Operating expenses	(1,146)	(1,696)
Loss before tax	**(287)**	**(116)**
Income tax credit	66	21
Loss for the financial period	**(221)**	**(95)**
Profit on sale of discontinued operation	68	-
Other comprehensive income	-	-
Total comprehensive income	**(153)**	**(95)**

The loss from discontinued operations of £221k (six months ended 30 June 2022: £95k) is attributable entirely to the owners of the Company. There was no other comprehensive income attributable to discontinued operations.

Cash flows from discontinued operations	**Six months ended 30 June**	
	2023*	**2022**
	£'000	**£'000**
Cash flow from operating activities	(536)	(36)
Cash and cash equivalents at the end of the period	1,611	1,962

*results represent 3 months to 31 March 2023 when CAIM was sold.

10. CASH AND BALANCES AT CENTRAL BANKS

	As at 30 June 2023	**As at 31 December 2022**
Cash and Balances at Central Banks	**£'000**	**£'000**
Cash and balances at central banks	577,572	607,358
Cash and cash equivalent balances	**577,572**	**607,358**

Cash and balances at central banks include no encumbered assets (2022 - £nil) and the expected credit loss is nil (31 December 2022: nil).

Reconciliation to interim condensed consolidated statement of cash flows

The cash and balances at central banks included in the interim condensed consolidated statement of cash flows are presented as follows:

	As at 30 June 2023	**As at 30 June 2022**
	£'000	**£'000**
Cash and balance at central banks	577,572	596,171
Loans and advances on demand to banks (Note 12)	107,917	116,777
Money market funds (Note 11)	164,982	326,685
Cash and cash equivalents per interim condensed consolidated statement of cash flows	**850,471**	**1,039,633**

Cash and balances at central banks and Loans and advances on demand to banks are measured at amortised cost as they meet the Solely Payments of Principal and Interest 'SPPI' criterion and are held to collect the contractual cashflows.

11. MONEY MARKET FUNDS

Open Ended Investment Companies	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Goldman Sachs USD Treasury Liquid Reserves Fund	46,522	209,486
Black Rock ICS USD Liquidity Fund	19,738	-
JP Morgan USD Liquidity LVNAV Fund	98,722	-
	164,982	**209,486**

Component of Money Market Funds included in Interim condensed consolidated statement of cashflows under:	As at 30 June 2023 £'000	As at 30 June 2022 £'000
Cash and cash equivalent balances	164,982	326,685

Money market funds are mandatorily held at fair value through profit or loss as they do not satisfy the SPPI criterion. The funds are all rated AAA based on a basket of credit ratings agencies, all approved by the Financial Conduct Authority. Refer to Note 27 on fair value measurements for further details.

12. LOANS AND ADVANCES

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

	As at 30 June 2023 £'000	**As at 31 December 2022 (as restated) £'000**
Loans and advances		
Loans and advances on demand to banks	107,928	90,255
Other loans and advances to banks*	70,270	85,516
Other loans and advances to non-banks*	5,308	12,647
Total	**183,506**	**188,418**
Less: Impairment loss allowance		
Loans and advances on demand to banks	(11)	(46)
Other loans and advances to banks	(10)	(51)
Other loans and advances to non-banks	(56)	(200)
Total	**(77)**	**(297)**
Net Loans and advances on demand to banks	107,917	90,209
Net Other loans and advances to banks	70,270	85,465
Net Other loans and advances to non-banks	5,242	12,447
Net loans and advances	**183,429**	**188,121**

Component of loans and advances included in the interim condensed consolidated statement of cashflows under:	**As at 30 June 2023 £'000**	**As at 30 June 2022 £'000**
Cash and cash equivalents	107,917	90,209
Total	**107,917**	**90,209**

The Group's loans and advances on demand to banks include £2,471k of encumbered assets (at 31 December 2022: £1,827k) in relation to derivative contracts with other financial institutions and the balance are not overdue. Other loans and advances to non-banks includes a loan to a related party (at 30 June 2023: nil; at 31 December 2022: £2,251k) (see Note 25).

***Prior period restatement note**

A prior period adjustment has been made to record a reclassification of a counterparty which was incorrectly recognised in Other loans and advances to banks instead of Other loans and advances to non-banks. There was no impact to profit or loss, equity or earnings per share. The 31 December 2022 consolidated statement of financial position has been restated as follows:

Consolidated financial statements as at 31 December 2022:	**Other loans and advances to banks £'000**	**Other loans and advances to non-banks £'000**
Year ended 31 December 2022 (as previously reported)	93,164	4,748
Prior period adjustment	(7,699)	7,699
Year ended 31 December 2022 (as restated)	**85,465**	**12,447**

13. DERIVATIVE FINANCIAL INSTRUMENTS

At 30 June 2023 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 2023	509,561	4,048	8,023
As at 31 December 2022	714,810	6,567	4,543

The forward foreign exchange contracts have been transacted to economically hedge assets and liabilities in foreign currencies. The net unrealised (loss)/ gain at the statement of financial position date is (£3,975k) (at 31 December 2022: unrealised gain £2,024k). These derivative financial instruments and the underlying transactions they hedge will mature during 2024 (at 31 December 2022: mature during 2023).

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).

14. INVESTMENT IN DEBT SECURITIES

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

	As at 30 June 2023 £'000	**As at 31 December 2022 £'000**
Investment in debt securities at amortised costs		
Balance at the beginning of the period	414,074	
Purchases	182,239	
Redemptions	(163,775)	
	432,538	**414,074**
Less: Impairment loss allowance	(4)	(13)
Balance at the end of the period	**432,534**	**414,061**

15. OTHER ASSETS AND UNSETTLED TRANSACTIONS

	As at 30 June 2023 £'000	**As at 31 December 2022 £'000**
Financial assets:		
Staff loans	889	544
Balances with mobile network operators[1]	3,416	3,635

Other assets	1,462	794
Late receipts[2]	2,062	3,111
Less impairment loss	(19)	(62)
Total	**7,810**	**8,022**
Non-financial assets:		
Transactions debited by third party nostro provider[3]	8,660	8,322
VAT refund	3,676	914
Prepayments	2,586	2,262
Total other assets	**22,732**	**19,520**

The financial assets are at amortised costs.

[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.

[2] Late receipts comprise unsettled FX trades booked on a delivery versus payment basis and late receipts of funds in relation to payments.

[3] These balances represent amounts that are debited in advance or incorrectly by third party nostro providers and which will be reversed in the following period.

Unsettled Transactions:	**As at 30 June 2023 £'000**	**As at 31 December 2022 £'000**
Unsettled transactions[4]	16,265	12,960

[4] 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 the following period.

16. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £'000	**Computer Equipment £'000**	**Fixtures & Fittings £'000**	**Total £'000**
Cost				
At 1 January 2023	122	2,516	2,209	4,847
Additions	-	136	24	160
Disposals	-	(81)	(2)	(83)
At 30 June 2023	122	2,571	2,231	4,924
Accumulated depreciation				
At 1 January 2023	89	1,605	1,574	3,268
Charge to profit or loss	11	198	205	414
Disposals	-	(69)	(2)	(71)
At 30 June 2023	100	1,734	1,777	3,611
Net book value				

At 30 June 2023	**22**	**837**	**454**	**1,313**
At 31 December 2022	**33**	**911**	**635**	**1,579**

The Directors consider 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.

17. INTANGIBLE ASSETS

	Goodwill £'000	Core Accounting Software £'000	Other Software £'000	Brand/ Other £'000	Total £'000
Cost					
At 1 January 2023	5,919	5,817	24,809	1,427	37,972
Additions	-	40	1,967	10	2,017
Exchange differences	-		(5)	-	(5)
At 30 June 2023	5,919	5,857	26,771	1,437	39,984
Accumulated amortisation and impairment					
At 1 January 2023	-	4,146	11,785	122	16,053
Charged in the period	-	412	1,968	22	2,402
At 30 June 2023	-	4,558	13,753	144	18,455
Net book value					
At 30 June 2023	**5,919**	**1,299**	**13,018**	**1,293**	**21,529**
At 31 December 2022	**5,919**	**1,671**	**13,024**	**1,305**	**21,919**

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 were assessed as reasonable and appropriate for the purposes of interim financial reporting, because there were no significant changes impacting the business negatively. Therefore, no impairment charge was taken during the period.

18. CUSTOMER ACCOUNTS

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Repayable on demand	686,667	656,419
Other customers' accounts with agreed maturity dates or periods of notice by residual maturity repayable:		
3 months or less	490,000	479,641
1 year or less but over 3 months	61,375	169,491
2 years or less but over 1 year	7,947	-
	1,245,989	**1,305,551**

The total deposits from customers were from corporate customers. 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 that, although repayable on demand, have historically formed a stable deposit base.

19. OTHER LIABILITIES, ACCRUALS AND UNSETTLED TRANSACTIONS

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Financial liabilities		
Trade creditors	601	554
Funds received in advance	6,660	4,988
Failed settlements[1]	4,735	-
Other creditors	692	9
	12,688	5,551
Non -financial liabilities		
Funds received incorrectly[2]	1,334	3,500
HM Revenue & Customs	2,672	2,413
Dividend payable	347	-
Deferred income[3]	50	53
Total other liabilities	**17,091**	**11,517**
Accruals	**14,926**	**19,364**
Total other liabilities and accruals	**32,017**	**30,881**

[1] These balances represent receipts from a nostro provider due to failed FX settlements.

[2] These balances represent amounts that are credited incorrectly by third party nostro providers and which will be reversed in the following period.

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

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Unsettled transactions[4]	**16,661**	**25,782**

4. 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.

20. CALLED UP SHARE CAPITAL

	As at 30 June 2023 '000	As at 31 December 2022 '000
Authorised, allotted, issued, and fully paid (Ordinary Shares- Class A)		
As at 1 January (£1 Ordinary Shares- Class A)	68,000	68,000
As at period end (£0.001 Ordinary Shares- Class A)*	**68,000**	**68,000**
Authorised, allotted, issued, and fully paid (Ordinary Shares - Class B)*		
As at 1 January (£1 Ordinary Shares- Class B)	10	10
As at period end (£0.5913044 Ordinary Shares- Class B)*	**10**	**10**

Ordinary Shares	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Total share capital - as at 1 January	68,010	68,010
Share capital reduction*	(67,936)	-
Total share capital - as at period end	**74**	**68,010**

*On 19 June 2023, in connection with the Pre-Admission Reorganisation, the Company reduced the nominal value of the A shares in the Company from £1 to £0.001 and the B shares in the Company from £1 to £0.5913044. The effect of the share capital reduction has been to reduce the share capital of the Company from £68,010k to £74k and to increase retained earnings accordingly (£67,936k).

There was no change to the number of shares authorised, issued, and paid for during the period. There was no change to the voting rights. There are no restrictions on the distribution of dividends and the repayment of capital.

Refer to Note 29 for the impact of the group reorganisation on the capital structure of the Company after reporting date.

21. RETAINED EARNINGS

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Balance at beginning of period	**40,179**	**8,442**
Profit for the period	13,578	31,001
Share capital reduction (Note 20)	67,936	-
Dividend paid*	(11,300)	-
Equity -settled share-based payments	978	388
Changes in NCI %	(296)	348
Capital increase in subsidiary**	3,626	-
Balance at end of period	**114,701**	**40,179**

*The Company declared dividends to its shareholders amounting to £11,300k in total, being £5,587k on 26 April 2023 and £5,713k on 1 June 2023 (at 31 December 2022: nil). The dividend per share was £0.08 in each case. CAB Tech Holdco Limited, a subsidiary of the company, declared a dividend of £17,100k on 19 April 2023 (30 June 2022: nil) of which £1,540k was payable externally to CAB Tech Holdco Limited minority shareholders.

**The Company's subsidiary, CTH, issued C and D shares to its minority shareholders at a premium of £3,626k which increased the equity attributable to owners of the group and the non-controlling interest on 30 May 2023.

Equity classification of C and D shares held by NCI

We made the judgement based on the Articles of Association of CAB Tech Holdco Ltd (CTH), adopted on 2 May 2023, that C and D shares issued on 30 June 2023 by CAB Tech HoldCo qualify as equity instruments. Contingent events that could give rise to a put or a call over the shares issued by CTH are within our control and we therefore have an unconditional right to avoid delivery of shares in the CAB Payments Holdings plc or cash to CTH shareholders.

22. EARNINGS PER SHARE ("EPS")

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

	Six months ended 30 June	
	2023 £'000	**2022 £'000**
Earnings /(losses) attributable to owners of the Company:		
Continuing operations	13,731	8,342
Discontinued operations	(153)	(95)
	13,578	**8,247**
Weighted average number of ordinary shares		
	Six months ended 30 June	
	2023 '000	**2022** '000**
Class A ordinary shares	68,000	68,000
Class B ordinary shares	5,913	5,913
- Class B ordinary shares at reporting date	10	10
- Class B share split post reporting date (Note 29)	5,903	5,903
Weighted average number of ordinary shares	**73,913**	**73,913**
Add effect of redesignation of shares and share split without change in resources subsequent to period end		
Redesignation of Class A and Class B ordinary shares post reporting date (Note 29)	(73,913)	(73,913)
Ordinary shares issued post reporting period*	221,739	221,739
- Redesignation of class A and class B shares into new ordinary shares (Note 29)	73,913	73,913
- Additional new ordinary shares resulting from one for three ordinary share split (Note 29)	147,826	147,826
Weighted average number of ordinary shares for basic and diluted EPS*	**221,739**	**221,739**

*In accordance with IAS 33 the redesignation of the of Class A and Class B ordinary shares and the share split of the redesignated shares post reporting date are reflected in the number of shares as at the beginning of the periods presented. In line with requirements of IAS 33, the shares issued to the minority shareholders of CAB Tech Holdco Limited ("CTH") post reporting date, have not been included.

**For comparability and consistent presentation, the weighted average number of ordinary shares for 2022 was determined on the same basis as the 2023 numbers.

	Six months ended 30 June	
	2023 pence	**2022 pence**
Basic and diluted earnings per share		
Continuing operations	6.2	3.8
Discontinued operations	(0.1)	(0.1)
Total basic and dilute EPS attributable to owners of the Company	**6.1**	**3.7**

As required by IAS 33, the earnings per share calculation takes account of the share split which took place on 5 July 2023. The resulting number of shares has been included in the comparative calculation.

Due to the requirements of IAS 33, the required EPS calculation is as above which, in the circumstances, bases the calculation on the earnings available to the shareholders of the Company (ie excluding the NCI portion) and the number of shares in issue post Admission less those allocated to the NCI.

23. NON-CONTROLLING INTEREST (NCI)

The Group consists of a parent Company, CAB Payments Holdings plc, incorporated in the UK and a number of subsidiaries held directly and indirectly by Group, which operate and are incorporated around the world. Note 25 below lists details of the interests in subsidiaries.

Material non-controlling interests

Summarised financial statements in respect of the Group's subsidiary, (CTH, which owns the entire share capital of CAB Tech Holdco USA LLC, a US based holding Company, which itself owns Segovia Technology Co) that has material non-controlling interests is set out below. The summarised financial statement is shown below.

	As at 30 June 2023 £'000	As at 31 December 2022 £'000
Assets	101,847	105,129
Liabilities	93,137	96,926

	As at 30 June 2023 £'000	As at 30 June 2022 £'000
Total income, net of interest expense attributable to owners of the Company	66,692	34,440
Total income, net of interest expense attributable to owners of the NCI	5,120	2,588
Profit attributable to owners of the Company	13,578	8,247
Profit attributable to the non-controlling interests	1,024	617
Profit for the period	**14,602**	**8,864**
Other comprehensive (loss)/income attributable to owners of the Company	(128)	113
Other comprehensive (loss)/income attributable to the non-controlling interests	(10)	9
Other comprehensive (loss)/ income for the period	**(138)**	**122**
Total comprehensive income attributable to owners of the Company	13,450	8,360
Total comprehensive income attributable to the non-controlling interests	1,014	626
Total comprehensive income for the period	**14,464**	**8,986**
Dividends paid to non-controlling interests	1,540	-
Net cash outflow from operating activities	(4,460)	(8,774)
Net cash outflow from investing activities	(24)	(145)
Net cash outflow from financing activities	(666)	(12)

The NCI % used in these financial statements was 7.13% (30 June 2022 - 6.99 %).

NCI Reconciliation	As at 30 June 2023 £'000	As at 31 December 2022 £'000

At beginning of period	**7,704**	**5,222**
Total comprehensive income attributable to non-controlling interests	1,014	2,381
- Profit for the year attributable to non-controlling interest	1,024	2,367
- Other comprehensive (loss)/gain	(10)	14
Adjustment due to changes in non-controlling interest %*	296	69
Equity settled share based payments	46	32
Dividends paid**	(1,540)	-
At period end	**7,520**	**7,704**

*CAB Tech Holdings Limited ("CTH"), a subsidiary of the Company, issued C and D ordinary shares to external shareholders of the Company on 26 May 2023.

** CTH declared a dividend of £17,100k on 19 April 2023 (30 June 2022: nil) of which £1,540k was payable externally to CAB Tech Holdco Limited minority shareholders.

Uncertainty over Admission to Listing

Admission was uncertain as at 30 June 2023 and the decision over whether or not to proceed with Admission was under the Board's control. The decision to proceed with Admission was taken by the Board on 5 July 2023. Accordingly judgment has been made that no liability should be recognised in the interim consolidated financial statements in respect of the delivery of a variable number of shares of CAB Payments Holdings plc to the holders of the Non-Controlling Interest (NCI), as the obligation was contingent upon Admission, and that the NCI should be recognised as at 30 June 2023 because the risk and rewards of ownership of the shares held by the NCI shareholders had not passed by 30 June 2023.

24. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of profit before taxation to net cash outflow from operating activities	**Six months ended 30 June**	
	2023 £'000	**2022 £'000**
Profit / (loss) before taxation	**23,575**	**11,083**
Continuing operations	23,794	11,199
Discontinued operations	(219)	(116)
Adjusted for non-cash items:		
Effect of currency exchange rate changes	(15,812)	42,371
Amortisation	2,402	2,503
Depreciation	636	566
- Property, plant and equipment	414	414
- Right of use of assets	222	152
Share based payment charge	1,024	418
Loss on disposal of property plant and equipment	299	-
Profit on disposal of discontinued operations	(68)	-
Interest accrued on lease liabilities	34	7
Changes in working capital:		
Net decrease in collections/transmissions	-	(1,900)
Net decrease/ (increase) in loans and advances to banks other than on demand	11,125	(61,230)
Net (decrease)/ increase in customer accounts	(1,736)	54,115
Net increase in investment in debt securities	(36,370)	(165,116)
Net decrease/(increase) in other loans and advances to non-banks	7,058	(26)
Net (decrease)/increase in unsettled transactions	(12,426)	10,429
Net decrease in other assets	(3,809)	1,520
Net decrease in other liabilities	7,075	(15,993)
Net decrease/(increase) in accrued income	872	(110)
Decrease in accruals, provisions, and deferred income	(5,373)	(1,338)
Net cash outflow from operating activities	**(21,494)**	**(122,701)**

25. RELATED PARTY TRANSACTIONS

Principal subsidiaries

The Company's principal direct and indirect subsidiaries as at 30 June 2023 are set out below. The Company is the majority shareholder of CAB Tech HoldCo Ltd. Shares in other subsidiaries are held as indicated. Unless otherwise stated, the share capital consists solely of ordinary shares and the proportion of ownership held equals the voting rights held by the parent. For all subsidiaries, the country of incorporation or registration is also the principal place of business.

Direct / Indirect Subsidiaries	Principal activity / Business	Country of Incorporation and Principal Place of Business
CAB Tech HoldCo Limited	Holding Company	UK
Crown Agents Bank Limited ("CAB")	Bank	UK
CAB Europe BV	Payments	Netherlands
Stichting CAB Payments Europe	Trust company	Netherlands
CAB Tech HoldCo USA LLC	Holding Company	US
Segovia Technology Co	Fintech	US
Segovia International Holdings LLC	Holding Company	US
Segovia Technology Pakistan (PVT.) Limited	Dormant	Pakistan
Segovia Technology International Ltd.	Holding Company	Cayman Islands
Segovia Technology Congo SARL	Fintech	The Republic of Congo
Segovia Technology Cote d'Ivoire SARL	Fintech	Ivory Coast
Segovia Technology Kenya Limited	Fintech	Kenya
Segovia Technology Liberia Corporation	Fintech	Liberia
Segovia Technology 454 Limited	Dormant	Malawi
Segovia Technology Nigeria Limited	Fintech	Nigeria
Segovia Technology Rwanda Corporation Limited	Fintech	Rwanda
Segovia Technology Tanzania Company Limited	Fintech	Tanzania
Segovia Technology Company Uganda Limited	Fintech	Uganda
Segovia Technology Bangladesh Ltd (dissolved January 2022)	Dissolved	Bangladesh
Segovia Technology Cameroon Co Ltd (dissolved March 2022)	Dissolved	Cameroon
Segovia Niger SARL (dissolved March 2022)	Dissolved	Niger
Segovia Technology Senegal Corp SUARL (dissolved January 2023)	Dissolved	Senegal

All Segovia entities are held indirectly through CTH, which owns the entire share capital of CAB Tech Holdco USA LLC, a US based holding Company which owns Segovia. All UK subsidiaries are incorporated in the UK with registered offices at Quadrant House, The Quadrant, Sutton, Surrey SM2 5AS.

Refer to note 9 for assets classified as held for sale relating to Crown Agents Investment Management Limited and JCF Nominees Limited.

All subsidiaries are 100% group owned except for:

1. CAB Tech HoldCo Limited - 92.87% reducing over time to a minimum of 90.67% depending on the exercise of share awards and the vesting of shares. Following the group reorganisation on 6 July 2023 reported Note 29(i) (d) CAB Tech HoldCo Limited became a fully owned subsidiary.
2. Segovia Technology Pakistan (PVT) Ltd - 66% owned by senior management.

Holding Company

The immediate parent undertaking is Merlin Midco Limited as at 30 June 2023 (Note 29) owning 99% (at 31 December 2022: 99%) of the Company. The address of its registered office is 13 Castle Street, St Helier, Jersey, Channel Islands, JE4 5UT.

As at 30 June 2023, the ultimate parent undertaking and controlling party is Helios Investors III LP, acting through its general partner Helios Investors Genpar III LP. Helios Investors Genpar III LP is registered in the Cayman Islands with its registered office at PO Box 309GT, Ugland House, South Church Street, Grand Cayman, Cayman Islands KY1-1104. Following the group re-organisation which happened subsequent to reporting period, there was no shareholder with majority control of the Group (see Note 29(ii)).

The Group is a subsidiary of Helios Investors III LP, which is not required to produce consolidated financial statements. The Group's management believes that the absence of consolidated financial statements of Helios III LP does not have a significant impact on the Group's financial position, results or cash flows. The Company's management is committed to providing investors with accurate and transparent financial information. If the Helios III LP group were to produce consolidated financial statements as at 30 June 2023, it would incorporate the group's financial information into its consolidated financial statements.

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 2023 the Group had one related party balance with companies outside the Group (at 31 December 2022: two) as follows:

(i) £97k (at 31 December 2022: £64k), to Helios Investors Genpar III LP. The amount relates to the outstanding balance of a director's fees payable by a Group Company, Crown Agents Bank Limited. No interest accrues on the outstanding amount. Helios Investors Genpar III LP had control or significant influence over the Company as at 30 June 2023. Refer to Note 29(ii) for changes to the shareholding structure.

(ii) Other loans and advances to non-banks include (at 30 June 2023:nil ; at 31 December 2022: £2,251k) receivable from Merlin Topco Limited. The balance related to a contractual loan on which interest accrues at a commercial rate. The balance was settled during the period. Merlin Topco Limited is the parent company of Merlin Midco Limited which has control or significant influence over the Company as at 30 June 2023. Refer to Note 29 for changes to the shareholding structure.

B. As at the period-end, 777,273 (at 31 December 2022: 771,328) £0.001 Class A Ordinary Shares (at 31 December 2022: £1) of the Company were owned by a company connected to a director of the Company.

C. Group Company provided banking services to connected parties with income earned as follows:

30 June 2023	**FX / Payments*** £'000**	**Correspondent Banking** £'000**	**Total £'000**
Helios Investors Genpar III LP*	-	1	1
	-	1	1

30 June 2022	**FX / Payments*** £'000**	**Correspondent Banking** £'000**	**Total £'000**
Helios Investors Genpar III LP*	2	-	2
	2	-	2

* a company which had control or significant influence over the Company as at 30 June 2023 before group reorganisation. (Note 29)
** FX / Payments relates to net foreign exchange gain and correspondent banking relates to net interest income.

Note: the income on FX transactions is determined by margins on the underlying currencies traded.

D. Interest in the shares of a subsidiary of the Company, CAB Tech HoldCo Limited were owned by directors and key management of certain Group Companies as follows:

CAB Tech HoldCo Limited - Number Of £1 Ordinary Shares						
As at 30 June 2023	**A2 Shares**	**A2 Share Options**	**Restricted Shares (B Shares)**	**Restricted Share Units (B Shares)**	**C Shares**	**D Shares**
Director 1	662,325	-	157,808	-	-	-
Director 2	43,989	22,929	4,871	544,910	-	-
Director 3	-	-	-	-	1,410	4,500
Key Management Personnel						
- Executive Committee member 1	-	-	-	-	975	
- Executive Committee member 2	-	-	-	-	975	
- Executive Committee member 3	-	-	-	-	475	

CAB Tech HoldCo Limited - Number Of £1 Ordinary Shares						
As at 31 December 2022	**A2 Shares**	**A2 Share Options**	**Restricted Shares (B Shares)**	**Restricted Share Units (B Shares)**	**C Shares**	**D Shares**

Director 1	662,325	-	157,808	-	-	-
Director 2	43,989	22,929	4,871	544,910	-	-

The CAB Tech Holdco Limited C and D Shares were issued on 30 May 2023 as incentives to key directors and managers of Crown Agents Bank Limited.

E. The Group had a number of loans to Directors and key management as summarised as shown below.

Staff loans

Across the Group there were loans outstanding at the period-end as follows:

		As at 30 June 2023		As at 31 December 2022
	No	**£'000**	**No.**	**£'000**
Directors				
As at 1 Jan	4	494	3	159
As at period end	4	494	3	159
Key Management				
As at 1 Jan	8	252	8	252
As at period end	8	252	8	252

Loans advanced prior to 2021 do not accrue interest. Loans advanced from 2021 accrue interest at the HMRC stipulated rate but only on balances in excess of £10,000. All loans are repayable on the occurrence of the earliest of a number of events. There ECL for staff loans was assessed as immaterial as at 30 June 2023.

F. Remuneration of key management personnel

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	
	2023 £'000	**2022 £'000**
Short-term employee benefits	2,863	2,212
Post-employment benefits	55	142
Share-based payments	393	108
Total remuneration	**3,311**	**2,462**

G. Directors' remuneration

The remuneration of the Directors 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	
	2023 £'000	**2022 £'000**
Short-term employee benefits	2,875	1,927
Post-employment benefits	17	19
Share-based payments	144	79
Total remuneration	**3,036**	**2,025**

26. CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

	As at 30 June 2023 £'000	**As at 31 December 2022 (As restated) £'000**
Financial assets		
Measured at fair value through profit or loss		
Money market funds	164,982	209,486
Derivative financial instruments - foreign exchange related contracts	4,048	6,567

	169,030	**216,053**
Measured at amortised cost		
Cash and balances at central banks	577,572	607,358
Loans and advances on demand to banks	107,917	90,209
Other loans and advances to banks*	70,270	85,465
Other loans and advances to non-banks*	5,242	12,447
Investment in debt securities	432,534	414,061
Unsettled transactions	16,265	12,960
Accrued income	814	856
Other assets (excluding non-financial assets)	7,810	8,353
	1,218,424	**1,231,709**
Measured at fair value through other comprehensive income		
Investment in equity securities	473	488

*The prior year balance has been restated. Refer to Note 12 for further details thereon.

Financial liabilities	**As at 30 June 2023 £'000**	**As at 31 December 2022 £'000**
Measured at fair value through profit or loss		
Derivative financial instruments - foreign exchange related contracts	8,023	4,543
	8,023	**4,543**
Measured at amortised cost		
Customer accounts	1,245,989	1,305,551
Unsettled transactions	16,661	25,782
Lease liability	1,113	1,281
Other liabilities (excluding non-financial liabilities)	12,688	5,551
Accruals	14,926	19,364
	1,291,377	**1,357,529**

27. FAIR VALUE MEASUREMENTS

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.

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

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.

Money market funds and exchange traded 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 at the last measurement date. If all significant inputs required to fair value an instrument are observable then the instrument is included in level 2, if not 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.

Financial assets and liabilities 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 calculated annually based on price received from Swift and is approved annually at reporting period.
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.

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

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

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.

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.

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

Asset /(Liability) Type - as at 30 June 2023	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Financial assets at fair value			
- Derivative financial assets	-	4,048	-
- Money market funds	-	164,982	-
- Investment in equity securities	-	473	-
Financial liabilities at fair value			
- Derivative financial liabilities	-	(8,023)	-
	-	**161,480**	-

Asset /(Liability) Type - as at 31 December 2022	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**
Financial assets at fair value			
- Derivative financial assets	-	6,567	-
- Money market funds	-	209,486	-
- Investment in equity securities	-	488	-
Financial liabilities at fair value			
- Derivative financial liabilities	-	(4,543)	-
	-	211,998	-

These are all recurring fair value measurements. There were no movements between fair value levels.

Fair value and carrying amount of investment in debt securities.

	As at 30 June 2023 £'000		**As at 31 December 2022 £'000**	
	Carrying Value	**Fair Value**	**Carrying Value**	**Fair Value**
Fixed rate bonds				
- US Treasury Bills (excluding accrued interest)	18,546	15,495	66,207	65,636
- Other fixed rate bonds (excluding accrued interest)	411,172	406,976	345,321	341,889
Accrued interest	2,824	2,824	2,533	2,533
	432,542	**425,295**	**414,061**	**410,058**

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.

28. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

The Group does not have contingent liabilities at the balance sheet date other than those disclosed below:

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 maximum exposure for financial guarantee contracts is £23,100k (at 31 December 2022: £4,000k). The Group received premiums of £59k (at 30 June 2022: £59k)

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 maximum exposure for letters of credit confirmations is £96,000k (at 31 December 2022: £38,000k). The Group received a premium of £268k (at 30 June 2022: £302k).

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. Cash collateral of £47,845k (at 31 December 2022: £40,283k;) 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.

Liquidity as a service (LaaS) - undrawn commitments

Liquidity as a service is 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 this facility. The Group charges a facility fee for consideration of providing this facility. The Group provides this facility to multiple counterparties. The maximum exposure for LaaS is £10,750k (at 31 December 2022: £4,721k). The Group received facility fees of £26k (at 30 June 2022: £14k).

Commitments

Capital commitments

The Group does not have any capital commitments at the reporting date (at 31 December 2022: nil).

Other commitments

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 2023 £'000	As at 31 December 2022 £'000
Not later than one year	2,240	2,210
Later than one year and not later than five years	3,013	4,143
	5,253	**6,353**

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

There are no other commitments at the reporting date (at 31 December 2022: nil).

29. EVENTS AFTER THE REPORTING PERIOD

i. Group Reorganisation and Listing

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 ("Admission").
Post 30 June 2023 but immediately prior to Admission, the Group undertook certain steps as part of a reorganisation of its corporate structure, which resulted in all shareholders of CAB Tech Holdco Limited (other than the Company) exchanging shares in CAB Tech Holdco Limited for Ordinary Shares in the Company (the "Reorganisation").

On 4 July 2023, the Company was re-registered as a public company limited by shares.

In relation to the existing share plans within the Group structure prior to the share capital reorganisation and the Share Exchange described below, and prior to Admission, any unvested conditional awards and options vested in full after the reporting date. Participants who held conditional awards received the CAB Tech Holdco Limited shares subject to their awards and participants who held options were given the opportunity to exercise their options and acquire CAB Tech Holdco Limited shares in order to participate in the Share Exchange.

The following steps relating to the Reorganisation took place after the 30 June 2023 and immediately prior to Admission:

(a) the Company split the B ordinary shares into 5,913,044 Ordinary Shares with a nominal value of £0.001 each;

(b) the Company re-designated its existing A ordinary shares and B ordinary shares into a single class of ordinary shares with a nominal value of £0.001 each;

(c) the Company subdivided each ordinary share with a nominal value of £0.001 each into three ordinary shares with a nominal value of 0.0333 pence each.

Following steps (a) to (c) the Company's share capital comprised 221,739,135 ordinary shares.

(d) in accordance with the terms of the Implementation Agreement, the Company acquired the shares held by the other shareholders in CAB Tech Holdco Limited from each of CAB Tech Holdco Limited's other shareholders in exchange for 32,404,083 newly issued Ordinary Shares(the "Share Exchange").

Accordingly at Admission 254,143,218 Ordinary Shares are in issue.

ii. Holding company

Immediately following Admission, Merlin Midco Limited ownership was reduced to 45.11% (at 31 December 2022: 98.8%) of the ordinary shares of the company, which are held by a nominee company Diagonal Nominees Limited on 12 September 2023.

iii. Relationship agreement

On the 26 June 2023, Helios Investors III, L.P. and Helios Investors III (A), L.P. (together, the "Helios Funds"), each acting by its general partner Helios Investors Genpar III, L.P., entered into a relationship agreement with the Company (the "Relationship Agreement"). As at 30 June, the Helios Funds were the ultimate controllers of Merlin Midco Limited, the Principal Shareholder. The general partner of the Helios Funds is advised by Helios Investment Partners LLP in relation to the Helios Funds pursuant to the terms of a typical investment advisory agreement. The Relationship Agreement, for such time as the individual or combined shareholdings of the Helios Funds are greater than or equal to 10%, regulate the on-going relationship between the Company and the Helios Funds following Admission. The Principal Shareholder was a controlling shareholder of the Company for the purposes of the Listing Rules. As required under the Listing Rules, the principal purpose of the Relationship Agreement is to ensure that where the Helios Funds' shareholding in the Company is greater than or equal to 30%, the Company is capable of carrying on its business independently of Helios and that transactions and arrangements with the Helios Funds (including any transactions and arrangements with any member of the Group) are conducted at arm's length and on normal commercial terms. The Relationship Agreement is not subject to any additional penalty or indemnity clauses.

iv. Long Term Incentive Plan

Immediately after Admission, a long term incentive plan was implemented for executive directors, members of the Executive Committee and other senior managers. The scheme involves share awards (over a total of 3,321,536 Ordinary Shares) which vest in relation to periods ending 31 December 2024 and 31 December 2025 with metrics depending on (i) earnings per share and (ii) total shareholder returns relative to the FTSE 250 (excluding investment trusts). Whilst the performance periods relate to the Company's financial years, the awards will not vest until the second and third anniversaries of the initial implementation date (11 July 2023).

There are no non-adjusting events after the reporting period with the exception of the events noted above.

30. BOARD APPROVAL

The interim condensed consolidated financial statements for the period ended 30 June 2023 were approved by the Board of Directors and authorised for issue on 12 September 2023.

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