**20 August 2019**

**Finablr PLC ("Finablr") interim results for six months ended June 30, 2019**

**Finablr reports Group Adjusted Income growth of 9.1% year-on-year (YoY) to US$742million and Adjusted EBITDA growth of 26.9% YoY to US$103million; reaffirms guidance.**

| *(US$ Millions, unless stated)* | REPORTED | | ADJUSTED | | | |
|---|---|---|---|---|---|---|
| | H1 2019 | H1 2018 | H1 2019 | H1 2018 | Change | FY 2018 |
| **KEY FINANCIALS** | | | | | | |
| Group Income[1] | 733.6 | 690.8 | 742.2 | 680.5 | 9.1% | 1,472[5] |
| Group EBITDA[2] | 167.9 | 88.2 | 103.3 | 81.4 | 26.9% | 209.9[5] |
| Net debt[3] | 334.1 | n/a | 334.1 | n/a | | 564.2 |
| Profit / (loss) for the period | (30.1) | (9.5) | | | | |
| EPS – Basic / Diluted[4] | (0.05) | (0.04) | | | | |
| **KEY PERFORMANCE INDICATORS** | | | | | | |
| EBITDA Margin[6] | | | 13.9% | 12.0% | 1.9% | 14.3% |
| Free Cash Flow[7] | | | 99.0 | n/a | | 201.7 |
| Usable cash[8] | | | 486.2 | n/a | | 311.7 |
| Processed volumes | | | 64,861 | 56,707 | 14.4% | 114,310 |

Notes:

1. Adjusted Group Income is calculated as total income, as adjusted for disposed /discontinued operations & non-core operations and impairments, entities not included in the financials but being brought into the group as part of reorganization, 100% of Income from JVs and associates, presented on a Constant Exchange Rate (CER) basis. The constant-currency financial information has been calculated by applying the 2019 period average exchange rate to the Group's actual performance in the prior period. A reconciliation of the Group's Adjusted Income and EBITDA to the reported numbers is given Financial Review Section of this report.
2. Adjusted Group EBITDA is calculated as Profit before interest, taxes, depreciation and amortization adjusted as adjusted for disposed /discontinued operations & non-core operations and impairments, entities not included in the financials but being brought into the group as part of reorganization, 100% of Income from JVs and associates and exceptional & ene off costs presented on a CER basis. A reconciliation of the Group's Adjusted Income and EBITDA to the reported numbers is given Financial Review Section of this report.
3. Net Debt is calculated as gross debt (comprising borrowings excluding borrowings from related parties) minus usable cash.
4. Basic and Diluted Earnings per Share (EPS) are the same. The figure is in US$.
5. FY 2018 numbers restated and presented on a CER basis.
6. Adjusted EBITDA margin calculated as Adjusted Group EBITDA / Adjusted Group Income.
7. Free Cash Flow is calculated as Group Adjusted EBITDA minus maintenance capital expenditure.
8. Usable Cash is calculated as reported bank balances and cash minus client money and net due to financial institutions, working capital cash in vaults and tills and other cash, which comprises buffer cash, regulatory cash and bank overdrafts and other relevant short-term bank loans.

## FINANCIAL HIGHLIGHTS

- Group Adjusted Income of US$742.2million in H1 2019, up 9.1% (H1 2018 US$680.5million).
  - Income growth across all business segments
  - B2B and Payment Technology Solutions Adjusted Income up 20.5% to US$161.0million
- Group Adjusted EBITDA up 26.9% to US$103.3million (US$81.4million in H1 2018)
  - 195 bps EBITDA margin expansion, to 13.9%
  - Highest segmental contribution from B2B and Payment Technology Solutions
- Aggregate processed volume of US$64.9billion for H1 2019 (H1 2018 US$56.7billion)
  - Stable take rates across the platform
- Net debt of US$334.1million, reduced by US$230.9million from 31 December 2018
  - Group Adjusted Free Cash Flow of US$99million with high conversion ratio
  - Usable cash of US$486.2million (US$311.7million FY 2018)
  - Net debt/ LTM EBITDA ratio 1.4x at end of H1 2019 versus 2.7x at end of 2018
- Total Capex of US$44million in H1 2019, of which US$22million relating to Technology

**Promoth Manghat, Group Chief Executive Officer:**

*"Finablr delivered strong results at the upper end of our guidance, with growth in each of our three segments and across our channels and products. B2B and Payment Technology Solutions, our fastest growing segment and now the single largest contributor to Group EBITDA, enjoyed growth from existing customers and continued pipeline momentum.*

*We were disciplined in the execution of our strategy as we continued with our technology transformation, created new partnerships and focused on high growth markets.*

*The markets in which we operate are characterized by increasing mobility and demand for invisible payments by consumers and businesses. Our strong first half results underscore this trend. Finablr's platform, combining global regulatory licencing, omni-channel distribution and differentiated technology, uniquely positions us to continue capturing these opportunities.*

*We expect to perform in line with the guidance that we shared at the time of our IPO."*

## OUTLOOK

The Group reaffirms the guidance and outlook it provided at the time of its IPO, namely:

Over the medium term, the Group is targeting high single-digit Group Adjusted Income growth, driven by continued double-digit growth in the Cross-Border Payments & Consumer Solutions and B2B & Payment Technology Solutions segments, which are expected to represent approximately 50% of Group Adjusted Income over the same time. In the B2B & Payment Technology Solutions segment, the Group's target is to achieve an additional US$150million in Segment Adjusted Income in the medium term.

The Group is also targeting a Group Adjusted EBITDA margin of 20.0% in the medium term, driven by changes in the Group's business mix between its segments and segmental margin expansion.

The Group is targeting capital expenditure to trend towards 3.0 to 4.0% of Adjusted Income, with a leverage ratio remaining under 2.5x net debt to adjusted EBITDA, and an effective tax rate of 18.0 to 20.0%, over the medium term.

## OTHER INFORMATION

This document represents Finablr's half-yearly report for the purposes of the Disclosure and Transparency Rules (DTRs) issued by the Financial Conduct Authority (DTR 4.2). In this context: (i) the condensed set of financial statements can be found from page 20; (ii) pages 5 to 18 comprise the interim management report; and (iii) the Directors' responsibility statement can be found on page 19. No material related parties' transactions additional to those disclosed in the prospectus published by Finablr PLC on 15 May 2019 have taken place in the first six months of the year.

**ENQUIRIES**

**Finablr**
Ryan Ayache, Head of Investor Relations +971 56 681 53 21
Faiz Akbar Habib, Head of Group Communications +971 52 623 11 13 / +44 7912 895375

**Brunswick Group**
Gill Ackers, Diana Vaughton +44 207 404 5959

**ANALYST AND INVESTOR WEBCAST**
Finablr will hold a webcast at 9.00 am BST on Tuesday 20 August 2019 which can be accessed here.
To participate in the webcast via telephone and to submit questions please dial in before the start of the webcast.
**UK**: +44 (0)330 336 9105
**UAE**: 8000 3570 2653
**US**: +1 323 794 2551
**Conference ID**: 3365338

**ABOUT FINABLR**
Finablr (www.finablr.com) is a global platform which provides Cross-Border Payments and Consumer Solutions, Consumer Foreign Exchange Solutions and B2B and Payment Technology Solutions to consumers and businesses in the large and growing payments and foreign exchange market. In the year ended 31 December 2018, Finablr processed more than 150million transactions and the U.S. dollar equivalent of US$114.5billion in volumes, touching over a billion lives. As at 31st December 2018, the Group had more than 23million retail customers and was serving over 1,500 corporate and institutional partners, including banks, financial institutions, supermarkets, foreign exchange specialists, mobile wallet operators and payments and technology companies such as Google India and WeChat Pay.

**CAUTIONARY STATEMENT**
This announcement may contain forward-looking statements, including 'forward-looking statements' within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believe", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts.

These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Finablr group (the "Group"). Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Important factors that could cause the Group's actual results to so vary include, but are not limited to: global and regional economic, social and political changes; fluctuations in foreign exchange rates; rapid technological changes in the financial services market; actions taken by the Group's competitors, such as consolidation of key competitors; the loss of a trademark or diminution in the perceived quality associated with the Group's brands; new or existing legal, regulatory and licensing requirements, including anti-money laundering, sanctions and anti-bribery laws; status of operations of the Group's computer and communication systems, including the its proprietary processing platforms, as well as third-party systems; and actions of the Group's agents and third-party partners and service providers.

Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

## PERFORMANCE OVERVIEW

***(Except where otherwise stated, all numbers and commentary in this section are stated on an adjusted and constant exchange rate basis)***

Group Adjusted Income in H1 2019 grew 9.1% YoY to US$742.2million, on the back of higher processed volumes and stable take rates across the platform.

Group Adjusted EBITDA was US$103.3million, up 26.9% YoY, reflecting a 195bps expansion in Group Adjusted EBITDA margin. This was driven by improved margins in all segments and a mix shift reflecting the strong growth in B2B and Payment Technology Solutions.

Usable cash increased to US$486.2million at end of H1 2019, versus US$311.7million at year-end 2018.

Given the low capex and growing EBITDA, the Group continues to generate healthy free cash flows with conversion rates above 90%.

### Seasonality

The Group is subject to seasonality as the Consumer Foreign Exchange Solutions primarily serves the leisure segment of the travel industry, which peaks during the summer in the Northern hemisphere where this business is present. Other seasonal factors such as migrant worker remittances, which are higher during festival seasons, may also affect the Group’s quarterly and half yearly results of operations.

Historically, Income has generally shown a 45:55 split over H1 and H2, with EBITDA trending towards 40:60.

### Segmental Overview

| *(US$ Millions, unless stated)* | | **H1 2019** | **H1 2018** | **Change** |
|---|---|---|---|---|
| **Cross Border Payments and Consumer Solutions** | Segment Adjusted Income[1] | 189.6 | 169.9 | 11.6% |
| | Segment Adjusted EBITDA[2] | 56.7 | 49.7 | 14.0% |
| | Segment Adjusted EBITDA Margin[3] | 29.9% | 29.3% | +64 bps |
| | Processed volumes | 21,793 | 20,483 | 6.4% |
| | Take Rates[4] | 0.87% | 0.83% | +4 bps |
| **Consumer Foreign Exchange Solutions** | Segment Adjusted Income | 383.5 | 372.4 | 3.0% |
| | Segment Adjusted EBITDA | 37.6 | 28.0 | 34.4% |
| | Segment Adjusted EBITDA Margin | 9.8% | 7.5% | +229 bps |
| | Processed volumes | 6,944 | 7,900 | -12.1% |
| | Take Rates | 5.53% | 4.71% | +82 bps |
| **B2B and Payment Technology Solutions** | Segment Adjusted Income | 161.0 | 133.6 | 20.5% |
| | Segment Adjusted EBITDA | 60.3 | 47.5 | 26.9% |
| | Segment Adjusted EBITDA Margin | 37.4% | 35.5% | +189 bps |
| | Processed volumes | 36,124 | 28,324 | 27.5% |

Notes:

1. Segment Adjusted Income is calculated as income by segment, as adjusted for entities not included in the financial statements and 100% of JVs and associates and CER.
2. Segment Adjusted EBITDA is calculated as EBITDA by segment, as adjusted for entities not included in the financial statements and 100% of JVs and associates and CER.
3. Segment Adjusted EBITDA margin calculated as Segment Adjusted EBITDA / Segment Adjusted Income.
4. Take rates are defined as Segment Adjusted Income divided by the corresponding processed volumes

Finablr

All three segments delivered growth in H1 2019. Higher processed volumes reflect the Group's investments across its brands and platforms, and the trust of our customers, regulators and stakeholders. During the period, across brands and channels, Finablr deployed new assets and technologies, gained market share and maintained take rates across the platform.

**Cross-Border Payments and Consumer Solutions ('Cross-Border Payments')**

Finablr offers the convenience and simplicity of moving money globally through a full suite of cross-border payment solutions. This segment caters to customer preferences across digital and physical channels, diverse pay-in and pay-out modes, for purposes ranging from peer-to-peer payments supporting individual needs, to large investment flows or corporate payments.

The segment continued to grow strongly at 11.6% YoY, increasing its contribution to Group Adjusted Income to 25.5% from 25.0% in H1 2018. The segment saw rising volumes across its network. Geographically, the Middle East and Africa is a key growth region, with most operations in the region showing sustained volume expansion.

Segment Adjusted EBITDA increased by 14.0% to US$56.7million in H1 2019. Strong volumes and a slight uptick in margins were the key drivers.

**Consumer Foreign Exchange Solutions ('Consumer FX')**

In a world of increasing mobility, Finablr fulfils the needs of global travellers through multiple channels spanning ATMs, online portals, mobile applications and stores. Key offerings in the segment include purchase and sale of foreign currency, issuance of prepaid travel cards and value-added services such as VAT refund services.

Consumer FX continued to grow in H1 2019, with Segment Adjusted Income increasing 3.0% in H1 2019 vs H1 2018.

Income growth was driven by stronger margins in the Americas; expansion of the channel footprint through the deployment of new ATMS in Europe and additional stores and kiosks in Asia and the Middle East; and new or renewed contracts at airports in Germany and the Middle East. This was partially offset by the Group's strategic decision to exit contracts in France and Turkey.

Take rates in the segment have increased by 82bps to 5.53% in H1 2019 from H1 2018. Segment Adjusted EBITDA was US$37.6 million, an increase of 34.4% vs H1 2018. This growth was driven by Segment Adjusted EBITDA margin expanding by 229bps to 9.8%, with the improving margin reflecting the reduced cost base that has been achieved through the renegotiation and termination of certain airport contracts.

**B2B and Payment Technology Solutions ('B2B')**

Over the past 40 years, Finablr has developed robust payments and foreign exchange capabilities backed by a scalable technology platform, a broad and diversified distribution network and operating licenses in key markets. This segment offers a combination of technology, licensing and distribution capabilities enabling our partners to provide a wide range of services spanning cross-border payments, foreign exchange, stored value platforms, digital gifting and acquiring services to their customers.

The B2B segment continued to be the fastest growing segment with a 20.5% Adjusted Income growth rate in H1 2019, contributing to 21.7% of Group Adjusted Income (vs. 19.6% in H1 2018). Income growth was driven by increased volumes in Asia, Africa and Brazil due to higher demand for banknotes, as well as a ramp-up of volumes in Payment Technology Solutions contracts with Mobile Wallet Operators and Payments and Technology companies including Google in India and The World Bank.

Segment Adjusted EBITDA reached US$60.3million in H1 2019, up 26.9% YoY (US$47.5million in H1 2018), benefitting from growth in volumes as marginal costs decreased.

With an Adjusted EBITDA Margin of 37.4%, the B2B segment was the largest contributor to Group Adjusted EBITDA.

**Shared and allocated costs**

Central and shared costs grew by 22.7% YoY to US$59.3million, from US$48.3million in H1 2018.

This reflects the significant investments in talent made during H2 2018 both to prepare the business for the next phase of growth and to enhance the Group's technical teams. H1 2019 included the full run-rate costs of these investments, with central and shared costs expected to be at a similar level in H2 2019.

## CEO REPORT

### IPO and Group reorganization

Finablr was successfully admitted into the Premium segment of the Main Market of the London Stock Exchange on May 15, 2019. Prior to the listing, the Group completed the legal restructuring that resulted in Finablr PLC being the ultimate owner of all the Group companies.

### Maiden results as a public company

Finablr is pleased to report a strong set of results for the H1 2019 period; our first as a publicly listed company. Finablr generated Group Adjusted Income of US$742.2million in H1 2019, reflecting a growth of 9.1% YoY. Group Adjusted EBITDA for the period stood at US$103.3million, a growth of 26.9% YoY assisted by margin expansion of 195bps to 13.9%.

The Group continued to deliver robust financial performance, driven by the strengths of its integrated technology platform, omni-channel distribution capabilities, global regulatory licencing, and end-to-end control across the payments value chain. Overall, the Group remains on track with expectations for core business performance in line with the medium-term guidance given at the time of its IPO.

### Segment Update

The Group demonstrated strong financial performance with growth across all business segments, with aggregate volumes of US$64.9billion processed in H1 2019, representing a YoY growth of 14.4%. The pricing environment for the Group remained stable with take rates across business segments in line with expectations. The Group benefits from attractive secular growth drivers across each of its business segments, whilst the diversified and global nature of the Group's operations also provides resilience to macro shocks or headwinds in any geography or segment.

### Cross-Border Payments and Consumer Solutions

The Cross-Border Payments segment registered robust growth with segment volumes of $21.8billion processed in H1 2019. The Group's global regulatory licenses, omni-channel distribution capabilities, and control across the cross-border payments value chain creates strong commercial advantages.

During the period, the Group witnessed consistent market share gains. Additionally, the Group is profiting from its early presence in key markets that are at the cusp of digital adoption. Digital volumes are benefitting from the strong uptake for online, mobile and self-service kiosks solutions. The convenience of these services is also driving customer adoption. Marketing investments have begun to yield good results particularly in digital, delivering improved customer acquisition and engagement metrics.

The Group continues to make significant progress in rationalizing and optimizing its channel mix. Emphasis is on broadening coverage of low touch digital channels including accelerated deployment of self-service kiosks across key markets. In the period, over 100 self-service kiosks were deployed in the UAE, which have begun to contribute to transaction and volume growth. Additionally, the Group also continues to strengthen its global distribution network with partnerships initiated with key ecosystem partners including banks, Money Transfer Operators (MTO's) and Mobile wallet operators in H1 2019.

**Consumer Foreign Exchange Solutions**

The Consumer FX segment delivered positive revenue performance in H1 2019, up 3% YoY, capitalizing on the continued growth in travel and tourism. The focus on enhancing efficiencies and exiting low profitability and low margin markets helped drive significantly improved financial performance despite a slight reduction in volumes.

The strength of Finablr's brands and the Group's position as the leading global provider of consumer FX services is key to attracting and retaining partners. The Group renewed contractual agreements with Heathrow airport.

**B2B and Payments Technology Solutions**

The B2B segment represents the fastest growing and most profitable segment in the Group. Volumes processed in the segment grew 27.5% on a YoY basis to reach $36.1billion across the suite of services spanning cross border payments, foreign exchange, and payments technology solutions. The Group continues to see a strong trend of financial intermediation by payments and technology companies keen to use Finablr's capabilities.

Our global regulatory licensing, omni-channel distribution capabilities and early investments in building the technology platform positions us well to capture opportunities with global partners. Overall pipeline momentum remains strong across existing and new clients. In the period, the Group launched its partnership with LG in North America, integrating its digital gifting capabilities within the LG Pay digital wallet.

**Continued progress on Strategy Execution**

The Group has a five-pillar strategy focused on strategic partnerships, accelerating digital revenues, targeting growth markets, enhancing engagement & community building and driving innovation through strategic investments and selective bolt-on acquisitions. We continued to make progress across all these strategic imperatives.

Our sales momentum remains strong and we are engaged in conversations with some of the largest technology platform providers and global corporations to expand relationships and to drive innovative payments experiences for their customer bases. The low marginal cost that Finablr's platform offers creates strong commercial advantages for partners.

Emerging markets represent an important area of focus for the Group and we are seeing significant traction and growth in digital adoption as these markets mature. H1 2019 saw sustained expansion of the Group's operations in high growth markets particularly on the digital side with continued volume growth and new solutions launched. A notable development here was the acquisition of a majority interest in BayanPay a provider of payment aggregation and mobile wallet solutions in Saudi Arabia, strengthening the Group's ability to tap the significant potential in the Kingdom.

The Group continues to pursue investments and bolt on acquisitions that will build its IP, capabilities and commercial synergies. In H1 2019, the Group completed the acquisition of PEaaS to enhance product development capabilities, particularly in customer experiences for invisible payments across Finablr and partner assets.

Additionally, the Group also progressed its IP strategy in the period by filing its first provisional patent application covering c.100 individual patents with an additional 20 innovation disclosures in the process of being drafted for filing. A holistic framework to develop IP assets and protect the Group's IP through continued patent applications has been institutionalized internally.

**Technology Transformation and Product Initiatives**

Our ongoing technology transformation program remains on track and on budget.

Technology represents a key lever for the Group to drive top and bottom-line growth through enhancements across the platform. We continue to evaluate, invest in, and deploy new IP and technologies such as blockchain, AI and ML, IoT, voice, and responsible profiling and analytics. These will enable us to deliver differentiated experiences for our customers, to optimize the movement of funds across our global infrastructure, and to enhance our risk management and fraud mitigation capabilities.

**Promoth Manghat**
Group Chief Executive Officer
20th August 2019

## FINANCIAL REVIEW

During the first half of the 2019 financial year, the Group continued to demonstrate growth across all business segments.

| *(US$ Millions, unless stated)* | Six Months ended 30th June | | | |
|---|---|---|---|---|
| | REPORTED | | ADJUSTED | |
| | 2019 | 2018 | 2019 | 2018 |
| **INCOME** | 733.6 | 690.8 | 742.2 | 680.5 |
| **Profit before interest, taxes, depreciation and Amortization** | 167.9 | 88.2 | 103.3 | 81.4 |
| Finance cost | (69.3) | (49.2) | | |
| Depreciation and Amortization | (121.9) | (41.6) | | |
| Income tax expense | (6.7) | (7.0) | | |
| **LOSS FOR THE PERIOD** | (30.1) | (9.5) | | |
| Earnings per share / Basic and Diluted (in US$) | (0.05) | (0.04) | | |

### Reported and Adjusted numbers

The discussion of financial results in this document contains certain non-IFRS financial measures. The Group believes these measures provide investors with additional information about underlying results and trends, as well as insight into some of the metrics used to evaluate the business. These measures include Group Adjusted Income, Group Adjusted EBITDA, Group Adjusted EBITDA Margin, Group Adjusted Free Cash Flow, Group Adjusted Cash Conversion, Group Usable Cash, Segment Adjusted Income, Segment Adjusted EBITDA, and Segment Adjusted EBITDA margin.

Given below is a table that reconciles the Group Adjusted Income and EBITDA to the reported numbers.

| *(US$ Millions, unless stated)* | For Half Year ended June 30 | | | |
|---|---|---|---|---|
| | Group Adjusted Income | | Group Adjusted EBITDA | |
| | H1 2019 | H1 2018 | H1 2019 | H1 2018 |
| **Total Income/Profit before Interest, taxes, depreciation and amortization** | **733.6** | **690.8** | **167.9** | **88.2** |
| **Disposed/Discontinued and non-core operations** | | | | |
| (-) Gain on disposals/acquisition of businesses | (1.4) | | (1.4) | |
| (-) Non-core Travellers cheques | (0.9) | (1.2) | (0.3) | (0.5) |
| (-) Net exchange gain | (8.1) | (4.2) | (8.1) | (4.2) |
| (-) Interest Income on related party loans | (3.4) | (6.4) | (3.4) | (6.4) |
| **Continuing activities in the process of being brought into the Finablr perimeter as a part of reorganization** | | | | |

| (US$ Millions, unless stated) | For Half Year ended June 30 | | | |
|---|---|---|---|---|
| | Group Adjusted Income | | Group Adjusted EBITDA | |
| | H1 2019 | H1 2018 | H1 2019 | H1 2018 |
| (+) Entities being brought into the Group but not included in the Financial Statements | 13.8 | 17.4 | 0.3 | 0.6 |
| (+) Adjustments due to JVs | 13.3 | 14.5 | 2.7 | 2.4 |
| **Exceptional/One-off costs** | | | | |
| (+) Exceptional / one off costs and write offs | (4.6) | | 8.0 | 2.0 |
| (+) Floatation cost | | | 28.1 | |
| (-) IFRS 16 Impact | | | (90.6) | |
| **Adjusted Financials at reported exchange rates** | **742.2** | **710.9** | **103.3** | **82.2** |
| (-) Constant Exchange Rate Differential | | (30.4) | | (0.8) |
| **Adjusted Financials at constant exchange rates** | **742.2** | **680.5** | **103.3** | **81.4** |

## ADJUSTED NUMBERS

### Adjusted Income

All segments contributed to Adjusted Income growth of 9.1% YoY. Growth was driven by a mix of growing physical and digital assets, new contracts and market share gains.

The Cross-Border segment witnessed strong top-line growth of 11.6% YoY for the period through higher processed volumes, consistent market share gains in its key markets and further expansion in its digital initiatives. H1 2019 saw the deployment over 100 self-service kiosks in the UAE which have begun to contribute meaningfully towards overall transaction and volume growth.

Growth in our Consumer FX segment remains in line with sector trends. The launch of VAT refunds at Dubai and Abu Dhabi Airports and the addition of new ATMs in Italy are the latest examples of our commitment to serving customers at key locations on economically attractive terms. During the period, we remained disciplined in our decisions on whether to renew or renegotiate airport contracts and this focus contributed to the increase in margins in this segment.

The B2B segment continues to be a key growth engine with 20.5% growth YoY, reflecting the group's ability to deliver innovative services to our consumers and technology solutions to enterprises globally. The network effect of added products across our diversified platform is also deepening our penetration with existing clients, creating win-win partnerships that will continue to create value for our customers and our shareholders.

### Adjusted EBITDA and shared costs

Group Adjusted EBITDA for the period grew by 26.9% YoY with improvement across all segments.

The Cross-Border Payments segment's Adjusted EBITDA reached US$56.7million in H1 2019, an increase of 14.0% vs H1 2018. Strong volumes and a slight uptick in margins were the key drivers.

The Consumer FX segment's Adjusted EBITDA was US$37.6million, an increase of 34.4% vs H1 2018. This growth was driven by an improved cost base from renegotiated or terminated airport contracts resulting in a margin expansion of 229bps to 9.8%, and increased transaction volumes.

The B2B segment's Adjusted EBITDA reached US$60.3million in H1 2019, an increase of 26.9% vs H1 2018, benefitting from growth in volumes as marginal costs decrease. With an Adjusted EBITDA margin of 37.4%, it was the largest contributor to Group Adjusted EBITDA.

Central and shared costs grew by 22.7% YoY to US$60million, from US$48.3million in H1 2018. 2018 marked the start of significant investments relating to talent acquisition and preparation for the next phase of the Group's growth. In 2019, we expect to see the full year impact of the hiring done throughout 2018.

**Business volumes and take rates**

Take rates remained broadly stable across segments during the period, with a slight uptick in our Consumer FX segment driven by higher yields on certain products. Volumes continue to grow as anticipated, reflecting new physical and digital asset deployment, as well deepening and new partnerships leading to market share gains.

## REPORTED NUMBERS

### Income

Income increased by US$42.7million, or 6.2%, from US$690.8million in H1 2018 to US$733.6million in H1 2019. This increase was primarily due to increases in foreign currency exchange gains and fee income, which grew by US$36million or 5.4%, from US$669.8million in H1 2018 to US$705.8million in H1 2019.This increase was primarily due to a mix of growing physical and digital assets, new contracts and market share gains in all the three segments.

### Expenses

Expenses decreased by US$65million, or 10.8%, from US$602million in H1 2018 to US$537million in H1 2019. This was primarily due to decrease in operating and administrative expenses following the adoption of *IFRS 16: Leases,* as lease expenses decreased by US$91million for H1 2019. Excluding the impact of IFRS 16, operating expenses increased by 4%.

- ***Employee's salary and benefits***
  Employee's salary and benefits increased by US$9.0million, or 3.8%, from US$237.6million to US$246.7million, primarily due to an increase in the proportion of higher skilled, higher cost employees in the workforce.

- ***Operating and administrative expenses***
  Operating and administrative expenses decreased by US$74.1million, or 20.3%, from US$365.0million in H1 2018, to US$290.9million in H1 2019. This decrease was due to the impact of adoption of IFRS 16: Leases.

**Flotation costs**

The statement of accounts for six months ended June 2019 includes costs incurred in relation to completion of the Company's Premium Listing on the London Stock Exchange. Of the costs related to the primary offering, US$21.0million has been deducted from the share premium account and US$1.1million has been charged to the consolidated statement of comprehensive income. The Flotation costs also include US$24.9million relating to part of the share-based incentive in relation to shares granted to senior management of the company without issue of fresh shares by the company in connection with initial public offering. Though there is no cash impact, IFRS 2 still requires that an expense be recognized where the benefits form part of the remuneration of employees for their services to the Company (even if the shares are settled by a shareholder rather than the Company itself).

**Finance costs**

Finance costs increased by US$20.1million, or 40.9% from US$49.2million in H1, 2018 to US$69.3million in H1 2019. The increase is primarily attributable to the effect of IFRS 16 which has resulted in increase of interest expense to the tune of US$21.1million offset by a reduction of interest expense on shareholder loans, which were waived as part of the reorganisation.

**Depreciation and amortisation**

Depreciation and amortisation increased by US$80.4million, or 193.3%, from US$41.6million in H1 2018 to US$121.9million in H1 2019. This increase was primarily due to adoption of IFRS 16, which has resulted in an increase of US$76million.

***Liquidity and Capital Resources***

The Group's principal liquidity requirements arise from funding operational expenses such as employees' salaries and benefits, rents, trading costs, servicing and repayment of loans, investments in technology, strategic investments and acquisitions. During the periods under review, the Group's liquidity needs were primarily funded with cash generated internally by operating activities and bank borrowings.

***Cash flows***

The table below sets out the changes to the Group's cash from operating, investing and financing activities in H1 2018 and H1 2019.

| **(US$ Millions, unless stated)** | ***30 June 2019*** | ***30 June 2018*** |
|---|---|---|
| Net cash from/ (used in): | | |
| Operating activities | 617.3 | 129.4 |
| Investing activities | (24.9) | (41.1) |
| Financing activities | 133.0 | (16.2) |
| Exchange differences | (2.9) | (0.1) |
| **Net increase in cash and cash equivalents** | **722.5** | **71.9** |

- ***Net cash from operating activities***
  Net cash from operating activities increased by US$487.9million, or 377.0%, from US$129.4million for the period ended June 2018, to US$617.3million for the period ended June 2019. The change is largely attributable to an advance received from an existing B2B customer just prior to period end, which was settled post reporting period.

- ***Net cash used in investing activities***
  Net cash in investing activities arose from the purchase of tangible and intangible assets US$43.9million, and investment in subsidiaries/joint ventures US$39.7million.

- ***Net cash from/ (used in) financing activities***
  Net cash inflow from financing activities was mainly contributed by the proceeds from issue of share through the Initial Public Offering amounting to US$174.3million (gross proceeds minus share issue expense). The Group also repaid borrowings of US$37.5million during the period.

**Capital expenditure**

The table below sets forth the Group's capital expenditure for the periods indicated.

| *(US$ Millions, unless stated)* | **H1 2019** |
|---|---|
| **Growth Capex** | **39.7** |
| *Technology* | 22.1 |
| *Other* | 17.6 |
| **Maintenance Capex** | **4.3** |
| *Technology* | 2.0 |
| *Other* | 2.3 |
| **Total** | **44.0** |

During the period, Finablr continued to invest in its digital capabilities and technology transformation. Overall capex spend was US$44million, of which US$39.7million was for growth, including US$22.1million for Technology.

Outside of business as usual Capex, Finablr also increased its stakes in previously announced acquisitions BayanPay (US$17.0million) and PEaaS (US$10.8million). In the case of BayanPay, while the consideration was paid in June, post signing of transaction documents, the acquisition was completed only on August 1, 2019.

**Debt**

Gross debt at the end of June 2019 was US$820.3million with Net debt at US$334.1million, reduced by US$230.9million from 31 December 2018 due to loan repayments of US$37million and increase in useable cash from IPO proceeds of US$174.3million. Net Debt to EBITDA (LTM) has decreased to 1.4x as of June 30, 2019.

For the purpose of computation of gross debt, we have excluded the Obligations of Visa B shares amounting to US$18.2million as this is not covered under any of the existing covenant testing obligations.

Moreover, a further US$104.8million (US$96.6million of current liabilities and US$8.3million of non-current liabilities) of borrowings by the Group's India operations have also been excluded, as this liability is offset by a corresponding asset in the Group balance sheet for an amount of US$119.5million. Similarly to the Obligations of Visa B shares, this borrowing is not covered under any of the existing covenant testing obligations.

**Dividends**

No dividend was declared for the period ending on June 30, 2019.

**Rahul Pai**
Group Chief Financial Officer
20th August, 2019

## PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks that could have a material impact on the Group's long-term performance as set out in the Group's IPO prospectus dated 15th May 2019 have not changed since the IPO and remain valid at the date of this report. Furthermore, the Group does not expect these risk factors to change materially for the coming six months period.

The key risks in no specific order of priority are:

- Demand for the Group's products and services may be affected by global and regional economic, social and political changes.
- The Group operates in competitive markets.
- The Group's businesses and the markets in which they operate are subject to rapid technological changes.
- The Group is subject to extensive legal, regulatory and licensing risks.
- The Group's business is subject to extensive AML, sanctions and anti-bribery regulation, related compliance costs and third-party risks.
- The Group is subject to extensive data protection and privacy legislation.
- The Group's ability to remain competitive depends in part on its ability to protect its brands and reputation.
- The Group is dependent on relationships with its agents and third-party partners and service providers to deliver its services and products.
- The Group's B2B & Payment Technology Solutions segment income is dependent on a number of exclusive and non-exclusive customer relationships.
- The Group may be unable to protect or continue to use its intellectual property.
- The Group is dependent on information technology systems to operate its businesses.
- The integrity, reliability and efficiency of the Group's internal controls and procedures may not be successful.
- The Group's businesses are subject to currency exchange rate risk.
- The Group is subject to counterparty risk.
- The Group is reliant on its nostro bank accounts, primarily for U.S. dollars, as well as settlement currencies.
- The Group's systems by nature of connectivity to an ecosystem of partner systems may fail due to a number of factors, including those beyond its control.
- The Group may not be able to source U.S. dollar banknotes and other currencies on attractive financing terms or at all.
- The Group's business is exposed to potential losses due to the high volume of banknotes it handles, as well as customer fraud.
- The Group's developer platforms subject it to additional risks.
- The Group is exposed to political, social and macroeconomic risks relating to the United Kingdom's

potential exit from the European Union.

- A significant change or disruption in international migration patterns could adversely affect the Group's business, results of operations and financial condition.
- The Consumer Foreign Exchange Solutions segment operates a significant portion of its retail business through airport concessions.
- The Group has grown, and may continue to grow, through acquisitions that give rise to risks and challenges.
- The Group's growth strategy also depends on its ability to enter into strategic partnerships, enter new markets and further develop its product offering.
- The Group requires access to capital to operate and grow its business, which may be impaired by its debt service obligations and covenant requirements.
- The Group is subject to liquidity risk.
- The Group's ability to attract and retain qualified management and specialist staff is critical to its success and growth.
- A number of the Group's employees are unionised, and wage increases or work stoppages by the unionised employees may have a material adverse effect on the Group's business.
- Litigation or investigations involving the Group or its agents could result in material settlements, fines or penalties and may adversely affect the Group's business, results of operations and financial condition.
- The Group is subject to tax regulations and policies which are complex and subject to change.
- The Group's insurance coverage may be insufficient to cover its losses.
- Risks related to the Group's corporate structure
- The majority ownership interest of the Group's UAE operations is held through trustee and nominee arrangements, which are in line with established market practice in the UAE but may be challenged under existing UAE legislation.

**GOING CONCERN**

The directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the directors continue to adopt the going concern basis in preparing the interim condensed financial statements.

**Directors' Responsibility statement**

The directors confirm that this unaudited condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' as adopted by the European Union, and that to the best of their knowledge, the Business and Finance Reviews contained herein includes a fair review of:

- The important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements as required by DTR 4.2.7R;
- The principal risks and uncertainties for the remaining six months of the year as required by DTR 4.2.7R; and
- Related party transactions that have taken place in the first six months of the current financial year that have materially affected the financial position or performance of the Group during the first six months of the current financial year as required by DTR 4.2.8R.

Details of the current Directors of Finablr PLC are available on our website at www.finablr.com

By order of the Board

**Promoth Manghat**
Group Chief Executive Officer
20th August 2019