Interim Results

For the six months ended 30 June 2022

PensionBee Group plc ('PensionBee' or the 'Company'), a leading online pension provider, today announces interim results for the six month period ended 30 June 2022 (1H 2022).

The Company is pleased to announce that it has delivered strong financial and operational performance during the first half of the year, with high levels of growth achieved across key metrics, in line with the trading update released on 21 July 2022.

Performance Overview

- Revenue increased by 53% to £8.3m (1H 2021: £5.4m)
- Annual Run Rate Revenue increased by 37% to £16.8m (1H 2021: £12.3m)
- Loss before Tax was £(16.9)m (1H 2021: £(12.8)m)
- Adjusted EBITDA was £(14.9)m (1H 2021: £(7.6)m)
- Adjusted EBITDA Margin was (181)% (1H 2021: (141)%)
- Basic Earnings per Share was (7.54)p (1H 2021: (6.54)p)
- Assets under Administration ('AUA') increased by 35% year on year to £2,676m (1H 2021: £1,987m)
- Invested Customers ('IC') increased by 72% to 159,000 (1H 2021: 92,000)
- Active Customers increased by 59% to 246,000 (1H 2021: 155,000)
- Customer Retention Rate and AUA Retention Rate both stable at >95% (1H21: >95%)
- Excellent Trustpilot score of 4.6★ (1H 2021: 4.7★) and high app-store ratings (iOS score of 4.8★ in 1H 2021 and 1H 2022)
- Strong cash position of £29m (1H 2021: £55m)

Romi Savova, Chief Executive Officer of PensionBee, commented:

"Our results and ongoing growth in customers, assets under administration and revenue reflect the significant investment we continue to make in the long-term success of PensionBee. Our approach has remained focused and consistent with our plan and ambitions to scale our business while achieving our near term profitability objectives. Our robust cash position means we are well-positioned to continue growing our market share, expecting to achieve high double-digit Revenue growth in the short-term and monthly Adjusted EBITDA profitability by the end of 2023.

During the period we also strengthened our Board and successfully transitioned to the Premium Segment of the London Stock Exchange, further raising our profile in line with our growth ambition.

We are pleased to have expanded our brand presence, delivering useful product innovations and supporting our customers throughout this challenging time. Despite the macroeconomic uncertainty that has characterised the first half of the year, PensionBee's proposition continues to thrive and resonate in the enormous market of UK pension consumers."

Financial Highlights*

	For the 6-month Period Ending		
	Jun-2022	Jun-2021	YoY
Revenue (£m)	8.3	5.4	53%
Annual Run Rate Revenue (£m)**	16.8	12.3	37%
Loss before Tax	(16.9)	(12.8)	32%
Adjusted EBITDA (£m)**	(14.9)	(7.6)	-97%
Adjusted EBITDA Margin (% of Revenue)**	(181)%	(141)%	-40ppt
Basic and Diluted Earnings per Share	(7.54)p	(6.54)p	-15%

Non-Financial Highlights*

	As at Period End		
	Jun-2022	Jun-2021	YoY
AUA (£m)	2,676	1,987	35%
AUA Retention Rate (% of AUA)	>95%	>95%	stable
Registered Customers ('RC') (thousands)	897	538	66%
Active Customers (thousands)	246	155	59%
Invested Customers ('IC') (thousands)	159	92	72%
Customer Retention Rate (% of IC)	>95%	>95%	stable
Cost per Invested Customer (£)	260	240	As guided
Same Year RC: IC Conversion (% of RC)	18%	17%	+1ppt
Contractual Revenue Margin (% of AUA)	0.69%	0.69%	stable

* See Definitions section.

** PensionBee's KPIs include alternative performance measures ('APM's), which are indicated with a double asterisk. APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes APMs assist in providing greater insight into the underlying performance of PensionBee and enhance comparability of information between reporting periods.

Contacts

Tulchan Communications
James Macey White
Elizabeth Snow
Laura Marshall

pensionbee@tulchangroup.com
+44 (0)20 7353 4200

PensionBee
Rachael Oku
Laura Dunn-Sims

press@pensionbee.com

Forward-Looking Statements

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

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

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

CEO's Report

We are pleased to have delivered robust financial and operational performance for the first half of the year, reflected in the strong growth rates of our Invested Customer base, Assets under Administration and Revenue.

Reflecting on the year to date, global markets have exhibited almost unprecedented levels of volatility, driven by a variety of well-publicised macroeconomic and geopolitical factors. Our business has demonstrated resilience, strength and the ability to grow at pace against this challenging backdrop, underscoring that the need for retirement planning and pension ownership remains as great as ever.

We have seen excellent growth momentum in Invested Customers, having added approximately 41,000 new Invested Customers in the first half of this year. Not only did we deliver high customer growth, we also maintained excellent customer satisfaction throughout this period. We recorded a Customer Retention Rate of over 95% and ongoing strong net flows from our existing customer base, despite a very challenging cost of living crisis that has impacted everyone across the country.

We are further pleased to have delivered this growth and high level of customer satisfaction while progressing towards our goal of achieving monthly profitability breakeven by the end of 2023, in line with our previously communicated timeline.

Our results are testament to our strategy, our team and our customer-centric proposition, led by technological innovation, exceptional customer service and transparent and straightforward fees. Our offering has continued to resonate well in the enormous UK market of pension savers.

We look forward to continuing to execute on our strategy and to fulfilling our ambition to help everyone look forward to a happy retirement.

Overview

We maintained our strong growth momentum in the first half of 2022. Assets under Administration ('AUA') increased by 35% to £2,676m (1H 2021: £1,987m) and our Annual Run Rate Revenue increased by 37% to £16.8m (1H 2021: £12.3m), led by an increase in Invested Customers of 72% to 159,000 (1H 2021: 92,000). Active Customers grew to 246,000 and Registered Customers grew to 897,000 illustrating the strength of the future customer pipeline and the potential for growth.

Loss before Tax was £(16.9)m (1H 2021: £(12.8)m) reflecting the planned increased investment in marketing, the technology platform and our people to drive rapid growth. Accordingly, Adjusted EBITDA reached £(14.9)m (1H 20210: £(7.6)m) and Adjusted EBITDA Margin was (181)% (1H 2021: (141)%).

We demonstrated the continued strength of PensionBee's customer value proposition by maintaining a Customer Retention Rate in excess of 95% (1H 2021: >95%), by achieving Excellent Trustpilot and app-store ratings and by winning multiple industry awards.

Corporate Update

The Company reached an important milestone in the first half of the year. Following its successful first year as a public company, it transferred from the High Growth Segment of the Main Market of the London Stock Exchange plc to the Premium Segment. This underscores the Company's commitment to the highest levels of corporate governance, has allowed the Company to further raise its profile in line with its growth ambitions, and the move will enable it to access a wider investor base as it becomes eligible for FTSE index inclusion in due course.

During the first part of the year, we were also pleased to further strengthen the Company's Board of Directors, with the appointment of Lara Oyesanya, as an Independent Non-Executive Director, and Christoph Johannes Martin, the Company's Chief Financial Officer, as an Executive Director.

Strategic Update

Our mission is to make pensions simple so that everyone can look forward to a happy retirement. We have continued to successfully execute our five-point strategy, which supports our mission, and which drives our rapid and sustainable growth:

Efficient investment in customer acquisition and brand awareness

During the first half of the year, guided by our proprietary in-house Data Platform that allows us to deploy marketing spend to grow rapidly whilst keeping within desired levels of Cost per Invested Customer, we scaled-up our advertising activities. Similar to the phased approach we adopted in 2021, we deployed the majority of our marketing budget for the year (approximately £12.4m) over the first half, across our prevailing top three channels: Paid Search, TV and Out Of Home.

Our Data Platform allowed us to respond quickly and efficiently to the rapidly changing market environment, which affected consumer sentiment among the over 50s in particular. Given that our more mature target audience was less likely to take financial action during periods of high market volatility and uncertainty, we were able to focus our efforts on acquiring a slightly younger customer base. We achieved this through deliberate changes in our Paid Search strategy, deploying a greater proportion of our budget in the app store, where we tend to attract a younger audience. This delivered an average new customer age of 37.5 compared to 39.2 in the first half of 2021.

We also delivered an exciting new brand campaign in the first quarter of the year, and then continued to leverage this to support our digital acquisition activities for the second quarter. As a result, our Cost per Invested Customer is on track to reduce over the long term as the Company takes advantage of its substantial brand investment.

As we consider marketing initiatives for the rest of the year, we will be actively focusing on the further delivery of a reduction in our cost of customer acquisition, together with nurturing the conversion of our Registered Customers, which are fast approaching the one million mark, into Invested Customers.

Leadership in product innovation

During the first half of the year, we continued to invest as planned in product innovations that drive the excellent customer experience that our customers deserve. It is this resolute focus on our customers that sets us apart from the rest of the industry.

Most notably, we launched our Easy Bank Transfer (enabling customers to contribute to their pension in 60 seconds) across the web estate to complement our in-app offering.

We continued to develop our regular withdrawals feature for our customers over 50, which is now in the prototype phase, with launch expected later in the year.

We deployed the 'Stronger Nudge to Guidance', an important UK Government regulatory initiative aimed at those aged 50 and above who are considering making a withdrawal from their pension.

Other product initiatives undertaken during the first half of the year included deepening our partner integrations to expand our reach, as well as expanding referral tooling and communication tools to support the conversion of our Registered Customer database to Invested Customers.

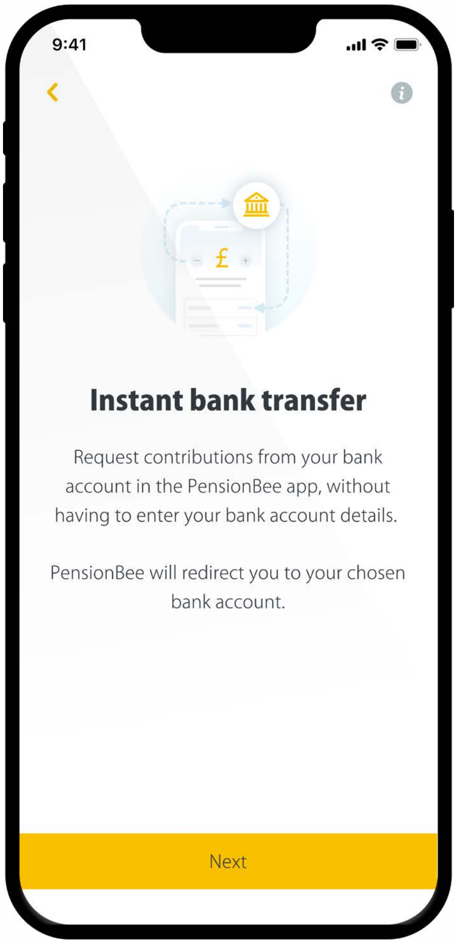

Image: 'Easy Bank Transfer' product update

Continued investment in and development of an industry leading technology platform

We have continued to invest in our technology capability over the first half of the year in support of our growth ambitions.

Our data capabilities have helped us to achieve increasing levels of infrastructure resilience and automation. The insights gained into return on marketing investment by channel have played an important part in helping us to optimise decision-making around customer acquisition and the careful deployment of our marketing budget, against a particularly challenging market backdrop.

We have continued to deliver further efficiency improvements in the pension transfer process, which has supported the growth in customer numbers. We have focused on driving internal automations, which have served to improve team productivity. This has been evident in our increasing productivity metrics, with Invested Customers per Staff Member demonstrating strong annual improvements, in line with expected operational leverage improvements.

Lastly, we have prioritised investment in our ongoing information security programme, to continue to advance our processes and controls around, for example, engineering and management training in cyber incident response.

Continued focus on excellent customer service

Our priority is to create the best pension experience possible for our customers and as such we are relentlessly focused on the provision of excellent customer service.

Many improvements have been designed to support our customer service team. We have worked hard to ensure they are well supported and that they have the tools to continue to deliver a high quality of service despite substantial growth and exceptionally volatile markets that impacted our customers' pension balances. We also continue to maintain strong response times across all channels, including live chat, phone and email.

We pay close attention to our Trustpilot and app store ratings, which serve as an indicator of customer satisfaction. We are pleased to have maintained our Excellent ratings across both, with a 4.6★ Trustpilot rating having been achieved from more than 7,500 customer reviews (1H 2021: 4.7★), and a 4.8★ iOS app store rating having been achieved from more than 4,000 ratings (1H 2021: 4.8★).

Ensuring excellent levels of customer satisfaction, reflected in the maintenance of our industry-leading customer retention levels, is central to our ambition of retaining and serving our customers throughout their lifetime. We demonstrated the continued strength of our customer value proposition by maintaining a Customer Retention Rate in excess of 95% for the first half of the year. It is the high levels of recurring revenues that are generated as a result of these high customer retention levels, combined with the scalability of our technology platform, that underpin the generation of operating leverage over time.

Our customer-focused offering continued to receive further industry recognition during the period. We were named as a 'Best Buy' in five categories at the Boring Money Best Buy Awards 2022, including 'Best Buy for Customer Service' which commended in particular the quick and easy onboarding, the strong sense of the 'personal' from allocated Beekeepers serving clients, the simple use of language and overall a more customer-focused proposition than traditional incumbents.

Continued focus on investment solutions designed for customers

We have continued our ongoing programme of engagement with our asset management partners to determine the optimal product range for our customers. With regards to our investment offering, it is in times like these that we are proud to work with the largest money managers in the world, who help us give our customers peace of mind.

There is clear demand in our customer base for an impact-oriented investment product and, following extensive asset manager engagements and customer testing, we have identified an appropriate solution that we aim to bring to market in the near term.

Regulatory Developments

We are known in the industry as a supporter of consumer rights and we continue to advocate for greater levels of transparency, easier switching and fairer charging across all pension products.

During the first half of the year, we actively engaged with the Government and the regulators on proposed changes to the legislative and regulatory framework that we operate within. We have been a vocal campaigner for a Pension Switch Guarantee for consumers and have corresponded with the Department for Work and Pensions, regulators, industry leaders and the media to request this necessary right for pension savers. Our campaign has received support from a variety of proponents and we look forward to campaigning further for legislative change in this area. Like others in the industry, we also implemented the Stronger Nudge to Guidance for over 50s considering making pension withdrawals.

We remain supportive of the initiatives of the Financial Conduct Authority, the Department for Work and Pensions and the Pensions Regulator, leading to improvements in the pension landscape for consumers. We believe the overall changes are supportive of our business model, our mission and our vision.

Dividend

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

Outlook

We are pleased with the progress we have made against our core key performance indicators, demonstrating the strength of our customer-focused proposition and the vast and growing opportunity in the UK Defined Contribution pensions market within which we operate. Invested Customer growth and the deployment of our marketing budget in line with our plans demonstrate the excellent momentum in the business. We expect to continue to build on this progress, reaching even more customers across the UK and enabling them to become ‘Pension Confident’.

Our strong cash position will enable us to continue to further invest in our growth. For the rest of the year we will continue to manage our marketing budget flexibly through a return-oriented lens. We are on track to further reduce our Cost per Invested Customer by the end of the year, having deployed the majority of our marketing budget in the first half. We will also continue to invest in further product innovation, customer experience enhancements, in our technology platform and in our people, as we look ahead in preparation for 2023.

The uncertain macroeconomic outlook, and the impact that global market volatility has had on assets under administration for all companies in the space, is well-publicised. However, our Revenue has remained resilient, and we expect to achieve high double-digit revenue growth in the short-term.

Our clear priority continues to be the achievement of near-term monthly Adjusted EBITDA before Marketing profitability, by the end of 2022 and monthly Adjusted EBITDA profitability by the end of 2023. We remain confident in our ability to achieve our medium-term objectives as set out at the time of the IPO.

We will continue to uphold good corporate behaviour to support healthy long-term returns for our customers’ pensions and to promote their health, as well as the health of our environment. We will continue to use our corporate voice to amplify the voices of our customers across the UK, standing up for their consumer rights, and enabling them to have better, more transparent pension products and the happy retirement that everyone deserves.

Romi Savova
Chief Executive Officer
21 September 2022

Financial Review

We have continued to deliver on our growth strategy, with strong momentum continuing across key metrics, despite the challenging macroeconomic and geopolitical backdrop.

For the first half of 2022, as compared to the previous year, Revenue increased by 53% to £8.3m (1H 2021: £5.4m), Invested Customers grew by 72% to 159,000 (1H 2021: 92,000), Assets under Administration ('AUA') increased by 35% to £2,676m (1H 2021: £1,987m) and Annual Run Rate Revenue rose by 37% to £16.8m (1H 2021: £12.3m). This growth was primarily driven by a combination of new customer acquisition and asset growth from existing customers[1].

Summary Financial Highlights*

	For the 6-month Period Ending		
	Jun-2022	**Jun-2021**	**YoY**
Annual Run Rate Revenue (£m)**	**16.8**	**12.3**	**37%**
Revenue (£m)	**8.3**	**5.4**	**53%**
Money Manager Costs (£m)	(1.4)	(0.9)	60%
Technology Platform Costs & Other Operating Expenses (£m)[2,3]	(9.4)	(6.0)	57%
Adjusted EBITDA before Marketing (£m)**	**(2.6)**	**(1.5)**	**-72%**
Adjusted EBITDA Margin before Marketing (% of Revenue)**	(31)%	(28)%	
Marketing Costs (£m)	(12.4)	(6.1)	103%
Adjusted EBITDA (£m)**	**(14.9)**	**(7.6)**	**-97%**
Adjusted EBITDA Margin (% of Revenue)**	(181)%	(141)%	

* See Definitions section.

** PensionBee's KPIs include alternative performance measures ('APMs'), which are indicated with a double asterisk. APMs are not defined by International Financial Reporting Standards ('IFRS') and should be considered together with the Group's IFRS measurements of performance. PensionBee believes APMs assist in providing greater insight into the underlying performance of PensionBee and enhance comparability of information between reporting periods.

(1) Existing customers are defined as customers acquired from 2016 to 2021.

(2) Other Operating Expenses comprise Administrative Costs and auditor's remuneration.

(3) Technology Platform & Other Costs comprise Employee Benefits Expense (excluding Share-based Payment), technology and operations costs and Other Operating Expenses.

Business Performance

Customers

	As at Period End		
	Jun-2022	Jun-2021	YoY
Registered Customers ('RC') (thousands)	897	538	66%
Active Customers (thousands)	246	155	59%
Invested Customers ('IC') (thousands)	159	92	72%
Same Year RC: IC Conversion (% of RC)	18%	17%	+1ppt
Customer Retention Rate (% of IC)	>95%	>95%	stable

We continued to deploy capital we raised at the time of our IPO in April 2021 over the first half of 2022, to advance our planned growth trajectory. Marketing investment drove Registered Customers to 897,000 (1H 2021: 538,000) and Invested Customers to 159,000 (1H 2021: 92,000), increases of 66% and 72%, respectively.

The Customer Retention Rate remained above 95%, consistent with our historical performance levels, reflecting trends in general consumer behaviour around long-term saving products and importantly underscoring our customers' continued satisfaction with the PensionBee product and customer service proposition.

Assets under Administration

	As at Period End/ For the 6-month Period Ending		
	Jun-2022	Jun-2021	YoY
Opening AUA (£m)	**2,587**	**1,358**	**91%**
Net Flows from New Customers (£m)	353	316	12%
Net Flows from Existing Customers (£m)	128	166	-23%
Net Flows (£m)	**481**	**482**	**0%**
Pre-Market Impact AUA (£m)	**3,069**	**1,839**	**67%**
Market Growth and Other (£m)	(392)	148	n/a
Closing AUA (£m)	**2,676**	**1,987**	**35%**
AUA Retention Rate (% of AUA)	>95%	>95%	stable

During the first half of 2022 we demonstrated the strength and resilience of our AUA, as we generated £481m of Net Flows over the period, a similar level to the £482m experienced over the first half of 2021. As a result, our Closing AUA at June 2022 increased from £1,987m to £2,676m, representing an increase of 35%. Like many other companies operating in the wealth industry, the decline of approximately 15% in capital markets across the first half of the year had a meaningful impact on our AUA.[4] Adjusting for this, our Pre-Market Impact AUA would have been in excess of £3bn as at June 2022.

Over the first half of 2022, our pension asset base increased from £2,587m to £2,676m, a total increase of £89m (1H 2021: £629m). The primary sources of growth included both new customer acquisition and existing customers increasing their savings with us, albeit offset by the impact of poor and volatile markets. £481m was generated by Net Flows from New Customers and Net Flows from Existing Customers, with the balance £(392)m being accounted for by market depreciation. The corresponding aggregate increase of £629m over the first half of 2021 was driven by Net Flows from New Customers and Net Flows from Existing Customers, together with market appreciation.

(4) Capital market impact calculated as Market Growth and Others expressed as percentage of average AUA between December 2021 and June 2022 pre-market impact.

Growth from new customers represented the majority of asset growth in the first half of 2022 with Net Flows from New Customers of £353m (1H 2021: £316m). Over this period we acquired 41,000 revenue-generating Invested Customers (1H 2021: 23,000). We were able to respond rapidly to a changing market environment, which affected consumer sentiment among the over 50s in particular. Given that this audience was less likely to take financial action in the first half of the year, we chose to focus acquisition on a slightly younger customer base, delivering a new average customer age of 37.5 in 1H 2022 as compared to 39.2 in 1H 2021. Whilst this impacted the average pension pot size, the lifetime unit economics remain attractive as younger customers are expected to accumulate over a longer period of time with us, supported by our high Customer Retention Rate.

Growth from existing customers for the period demonstrated the resilience of the underlying business and the existing AUA base, as we observed continued excellent Customer Retention Rates and continuous positive Net Flows across all cohorts, despite the significant market volatility experienced. Our existing customers increased their pension savings with us, evident in Net Flows from Existing Customers of £128m over the first half of the year (1H 2021: £166m). The lower Net Flows from Existing Customers this year can be traced back to lower levels of consolidations due to the impact of market volatility on consumer sentiment. Since inception, we have consistently enjoyed a high Customer Retention Rate in excess of 95% and this trend has continued into the first half of the year. We saw existing customers consolidating additional pensions into their PensionBee online pension plan and customers contributing to their pensions, whilst maintaining relatively low levels of withdrawals.

AUA growth is also reflective of the health of the global capital markets. As is customary in the pensions industry, our customers' pensions are invested predominantly in global capital markets, which experienced poor performance, declining by approximately 15% across the first half of the year, and as such our asset base was correspondingly negatively impacted, with a £(392)m change in market growth (H1 2022: £148m).

In summary, despite the significant global capital markets decline experienced over the first half of the year, we continued to deliver strong new customer growth and corresponding Net Flows from New Customers. We were pleased to be able to demonstrate the resilience of the underlying business, with positive Net Flows from Existing Customers driven by the continuation of contribution and consolidation behaviour across all cohorts, supported by our continuous high Customer Retention Rate of >95%.

Financial Performance

Revenue

	As at Period End/ For the 6-month Period Ending		
	Jun-2022	**Jun-2021**	**YoY**
Contractual Revenue Margin (% of AUA)	0.69%	0.69%	stable
Revenue (£m)	**8.3**	**5.4**	**53%**
Annual Run Rate Revenue (£m)	**16.8**	**12.3**	**37%**

We have translated year on year AUA growth of 35% into 37% growth in Annual Run Rate Revenue, as a result of our stable Contractual Revenue Margin. The Contractual Revenue Margin is the headline fee paid by customers before applying discounts for incremental pension savings above £100,000. The Contractual Revenue Margin remained stable at 0.69% (1H 2021: 0.69%).

Profitability Metrics

	For the 6-month Period Ending		
	Jun-2022	**Jun-2021**	**YoY**
Loss before Tax (£m)	(16.9)	(12.8)	32%
Adjusted EBITDA before Marketing (£m) (Note 17)	(2.6)	(1.5)	-72%
Adjusted EBITDA Margin before Marketing (% of Revenue)	**(31)%**	**(28)%**	**-3ppt**
Adjusted EBITDA (£m)	(14.9)	(7.6)	-97%
Adjusted EBITDA Margin (% of Revenue)	**(181)%**	**(141)%**	**-40ppt**

During the first half of the year we continued to scale the underlying business operations effectively, evidenced by an improvement in Invested Customers per Staff Member of 35%.[(5)]

One of the profitability metrics that we measure is Adjusted EBITDA before Marketing. This measure includes Money Manager Costs and Technology Platform Costs and Other Operating Expenses, but excludes Advertising and Marketing Expenses (which generate long-term returns through long-standing customer relationships), Share-based Payments and Transactions Costs. A change in Adjusted EBITDA before Marketing is therefore an indicator of short term operating leverage. Adjusted EBITDA Margin before Marketing declined to (31)% for 1H 2022 from (28)% for 1H 2021, reflecting the global capital markets decline in the first half of the year which had a corresponding impact on AUA, and therefore the Revenue denominator. Nevertheless, given the planned phasing of its expenditure, the Company expects to achieve its stated objective of monthly Adjusted EBITDA before Marketing profitability by the end of 2022.

The second profitability metric that we measure is Adjusted EBITDA, which captures Advertising and Marketing Expenses, but excludes Share-based Payments and Transaction Costs. The Adjusted EBITDA Margin declined to (181)% for 1H 2022 from (141)% for 1H 2021, again reflecting the impact of global markets on the Revenue denominator as well as the phasing of the marketing investment, with weighting of deployment towards the first half of the year at 1.50x of Revenue (1H 2021: 1.13x). These outcomes are in line with our expectations and planned route to achieve monthly Adjusted EBITDA profitability by the end of 2023.

Money Manager Costs, Technology Platform Costs and Other Operating Expenses

	For the 6-month Period Ending		
	Jun-2022	**Jun-2021**	**YoY**
Money Manager Costs (£m)	**(1.4)**	**(0.9)**	**60%**
Employee Benefits Expense (excluding Share-based Payment) (£m)	(4.5)	(3.4)	32%
Other Operating Expenses (£m)	(4.8)	(2.6)	90%
Technology Platform Costs and Other Operating Expenses (£m)	**(9.4)**	**(6.0)**	**57%**

Money Manager Costs increased to £1.4m (1H 2021: £0.9m) at a slightly higher rate than Revenue growth, translating into slightly higher costs as a percentage of Revenue.

Employee Benefits Expense increased to £4.5m (1H 2021: £3.4m), primarily driven by an increase in the headcount in the second half of 2021. In contrast, we only grew headcount incrementally in the first half of 2022. Overall, our total workforce increased to 181 as at 30 June 2022 from 177 at the end of 2021.[(6)]

Other Operating Expenses increased to £4.8m (1H 2021: £2.6m) owing to investments in technology, professional services and other corporate costs.

(5) Based on management information. Invested Customers per Staff Member calculated using Cumulative Invested Customers divided by the last twelve months average of the total workforce to June. Last twelve months average total workforce of 173 to June 2022 vs 135 to June 2021. Cumulative Invested Customers of 159,000 in June 2022 vs 92,000 in June 2021. Total workforce includes UK employees and contractors. +35% improvement calculated by dividing Invested Customers per Staff Member of 919 (June 2022) by 682 (June 2021).

(6) Total workforce of 181 as of 30 June 2022, includes 177 UK employees and 4 non-UK contractors. Total workforce as of 31 December 2021 includes 172 UK employees, 1 UK contractor and 4 non-UK contractors.

Marketing Costs

	As at Period End/ For the 6-month Period Ending		
	Jun-2022	**Jun-2021**	**YoY**
Cost per Invested Customer (CPIC) (£)	**260**	**240**	**As guided**
Marketing Costs (£m)	(12.4)	(6.1)	103%
Marketing Costs / Revenue (x)	(1.50)x	(1.13)x	(0.37)x

Other Costs

	For the 6-month Period Ending		
	Jun-2022	Jun-2021	YoY
Share-based Payment (£m)	(1.1)	(2.0)	-41%
Transaction Costs (£m)	(0.7)	(2.9)	-76%
Finance Costs (£m)	(0.0)	(0.2)	-88%
Taxation (£m)	0.2	0.1	74%

Share-based Payment costs decreased with no accelerated vesting during the period. In comparison, the higher charge in the prior period was due to the accelerated vesting of options in the run up to IPO and the revision of the estimate on the occurrence of a liquidity event (being the IPO) in 1H 2021.

Transaction Costs primarily consisted of fees and expenses incurred in relation to the preparation for the Company's transition to the Premium Segment of the Main Market of the London Stock Exchange. Higher costs in the prior period were related to the Company's IPO and admission to trading on the London Stock Exchange.

Finance Costs included fees associated with the capitalisation of lease obligations in accordance with IFRS 16, whilst the Finance Costs for the prior period included fees associated with the £10m Revolving Credit Facility that was entered into with National Westminster Bank Plc in March 2021 as part of a prudent liquidity management strategy, and subsequently cancelled in September 2021.

Taxation was comprised of enhanced tax credits in relation to routine Research and Development refunds. No deferred tax asset was recognised for the carried forward losses.

Basic Earnings per Share

Basic (and Diluted) Earnings per Share was (7.54)p for 1H 2022 (1H 2021: (6.54)p). This decreased in line with the increase in Loss after Tax.

Regulatory Capital and Financial Position

PensionBee Limited, a subsidiary of the Company, is authorised and regulated by the FCA and therefore adheres to capital requirement set by the FCA. As of June 2022, the capital resources stood at £17m as compared to a capital resource requirement of £1.2m, resulting in a coverage of 15x.

As of June 2022, the cash and cash equivalents balance was £29m (1H 2021: £55m).

Christoph J. Martin
Chief Financial Officer
21 September 2022

Responsibility Statement

We confirm that to the best of our knowledge:

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

By order of the Board

Romi Savova
Chief Executive Officer
21 September 2022

Independent Review Report to PensionBee Group plc

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the interim Consolidated Statement of Comprehensive Income, the interim Consolidated Statement of Financial Position, the interim Consolidated Statement of Changes in Equity, the interim Consolidated Statement of Cash Flows and related Notes 1 to 17.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

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

As disclosed in Note 2, the annual financial statements of the Group are prepared in accordance with United Kingdom adopted International Financial Reporting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, 'Interim Financial Reporting'.

Conclusion Relating to Going Concern

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

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

Responsibilities of the Directors

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

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

Auditor's Responsibilities for the Review of the Financial Information

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

Use of our Report

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

Deloitte LLP
Statutory Auditor
Birmingham
United Kingdom
21 September 2022

Interim Consolidated Statement of Comprehensive Income

For the Period from 1 January 2022 to 30 June 2022

	Note	Unaudited six months to 30 June 2022 £ 000	Unaudited six months to 30 June 2021 £ 000
Revenue	4	8,258	5,395
Employee Benefits Expense (excluding Share-based Payment)		(4,534)	(3,435)
Share-based Payment		(1,148)	(1,953)
Depreciation Expense		(139)	(124)
Advertising and Marketing		(12,357)	(6,100)
Other Expenses		(6,279)	(3,447)
Listing costs		(687)	(2,898)
Operating Loss		**(16,886)**	**(12,562)**
Finance Costs		(24)	(205)
Loss before Tax		**(16,910)**	**(12,767)**
Taxation	6	174	100
Loss for the Period		**(16,736)**	**(12,667)**
Total Comprehensive Loss for the Period		**(16,736)**	**(12,667)**
Earnings/(Loss) per Share (pence per Share)			
Basic and Diluted		(7.54)	(6.54)

The above results were derived from continuing operations.
Notes 1 to 16 form an integral part of these consolidated financial statements.

Interim Consolidated Statement of Financial Position

As at 30 June 2022

	Note	Unaudited 30 June 2022 £ 000	Audited 31 December 2021 £ 000
Assets			
Non-current Assets			
Property, Plant and Equipment		352	127
Right of Use Assets		623	692
Other Receivables		131	-
		1,106	819
Current Assets			
Trade and Other Receivables	8	2,913	3,171
Cash and Cash Equivalents		29,138	43,518
		32,051	46,689
Total Assets		**33,157**	**47,508**
Equity and Liabilities			
Equity			
Share Capital	9	222	221
Share Premium		53,218	53,218
Share-based Payment Reserve		9,465	8,317
Retained Earnings		(34,713)	(17,976)
Total Equity		**28,192**	**43,780**
Non-Current Liabilities			
Lease Liability		476	560
Provisions		45	43
		521	603
Current Liabilities			
Lease Liability		206	97
Trade and Other Payables	11	4,238	3,028
		4,444	3,125
Total Liabilities		**4,965**	**3,728**
Total Equity and Liabilities		**33,157**	**47,508**

Approved by the Board on 21 September 2022 and signed on its behalf by:

Romi Savova
Chief Executive Officer

Interim Consolidated Statement of Changes in Equity

For the Period from 1 January 2022 to 30 June 2022

	Share Capital	Share Premium	Share-based Payment Reserve	Retained Earnings	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2021	-	30,322	4,378	(28,245)	6,455
Loss for the Period	-	-	-	(12,667)	(12,667)
Total Comprehensive Loss	-	-		(12,667)	(12,667)
Share-based Payment Transactions	-	-	1,845	-	1,845
Issue of Share Capital in PensionBee Limited	-	4,765	-	-	4,765
Group Reorganisation	180	(35,088)	-	34,908	-
Issue of Share Capital in PensionBee Group plc	33	54,967	-	-	55,000
Transaction Costs on Issue of Shares	-	(1,748)	-	-	(1,748)
Exercise of Share Options	8	-	-	(8)	-
At 30 June 2021 (unaudited)	**221**	**53,218**	**6,223**	**(6,012)**	**53,650**

	Share Capital	Share Premium	Share-based Payment Reserve	Retained Earnings	Total
	£ 000	£ 000	£ 000	£ 000	£ 000
At 1 January 2022	221	53,218	8,317	(17,976)	43,780
Loss for the Period	-	-	-	(16,736)	(16,736)
Total Comprehensive Loss	-	-		(16,736)	(16,736)
Share-based Payment Transactions	-	-	1,148	-	1,148
Exercise of Share Options	1	-	-	(1)	-
At 30 June 2022 (unaudited)	**222**	**53,218**	**9,465**	**(34,713)**	**28,192**

Notes 1 to 16 form an integral part of these consolidated financial statements.

Interim Consolidated Statement of Cash Flows

For the Period from 1 January 2022 to 30 June 2022

	Note	Unaudited six months to 30 June 2022 £ 000	Unaudited six months to 30 June 2021 £ 000
Cash Flows used in Operating Activities			
Loss for the Period		(16,736)	(12,667)
Adjustments to Cash Flows from Non-Cash Items			
Depreciation		139	124
Finance Costs		24	205
Share-based Payment Transactions		1,148	1,953
Taxation	6	(174)	(100)
Operating Cash Flow before movement in Working Capital		(15,600)	(10,485)
Working Capital Adjustments			
Increase in Trade and Other Receivables	8	(24)	(1,867)
Increase in Trade and Other Payables	11	1,212	3,083
Cash used in Operations		(14,412)	(9,269)
Income Taxes Received	6	194	-
Net Cash Flow used in Operating Activities		(14,218)	(9,269)
Cash Flows used in Investing Activities			
Acquisition of Equipment		(161)	(3)
Net Cash Flows Used in Investing Activities		(161)	(3)
Cash Flows from/(used in) Financing Activities			
Proceeds from Issue of Ordinary Shares		-	59,765
Transaction Costs on Issue of Shares		-	(1,748)
Payment of Finance Costs		-	(359)
Payment of Principal and Interest of Lease Liabilities		-	(75)
Net Cash Flows from Financing Activities		-	57,583
Net (Decrease)/Increase In Cash and Cash Equivalents		**(14,380)**	**48,311**
Cash and Cash Equivalents at 1 January		**43,518**	**6,736**
Cash and Cash Equivalents at 30 June		**29,138**	**55,047**

Notes 1 to 16 form an integral part of these consolidated financial statements.

Notes to the Financial Statements

For the Period from 1 January 2022 to 30 June 2022

1 Corporate Information

The Interim Consolidated Financial Statements of PensionBee Group plc and its subsidiaries (collectively, the 'Group') for the six months ended 30 June 2022 were authorised for issue in accordance with a resolution of the Directors on 21 September 2022.

PensionBee Group plc (the 'Company') is a public limited company, whose shares are traded on the Premium Segment of the Main Market of the London Stock Exchange ('LSE'), incorporated and domiciled in England and Wales.

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

Principal Activity

The principal activity of the Group is that of a direct to consumer online pension provider. The Group seeks to make its UK customers 'Pension Confident' by giving them complete control and clarity over their retirement savings. The Group helps its customers to combine their pensions into one new online plan where they can contribute, forecast outcomes, invest effectively and withdraw their pensions (from the age of 55), all from the palm of their hand.

2 Accounting Policies

Basis of Preparation

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

The Interim Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements, and should be read in conjunction with PensionBee Limited's Annual Financial Statements as at 31 December 2021.

Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented and the interim period policies consistently comply with International Accounting Standard 34 'Interim Financial Reporting', unless otherwise stated.

Acquisition of PensionBee Limited by PensionBee Group plc

On 24 March 2021, PensionBee Group plc acquired all the issued shares of PensionBee Limited through a share for share transaction. From the acquisition date, PensionBee Limited became a subsidiary of PensionBee Group plc. On the same date, all the share options granted by PensionBee Limited to its employees were cancelled and replaced by share options granted by PensionBee Group plc.

Audit Requirements

The financial information for the six months ended 30 June 2022 is not audited by Deloitte LLP and accordingly no opinion has been given. The comparative financial information for the year ended 31 December 2021 has been extracted from the Annual Report & Financial Statements 2021. The financial information contained in this Interim Report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006 and does not reflect all of the information contained in PensionBee Group's Annual Report & Financial Statements 2021. The Annual Financial Statements for the year ended 31 December 2021, which were approved by the Board of Directors on 13 April 2022, received an unqualified audit report, did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 and have been filed with the Registrar of Companies.

Changes in Accounting Policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2022 have had a material effect on the financial statements.

3 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

4 Revenue

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

	Unaudited six months to 30 June 2022	**Unaudited six months to 30 June 2021**
	£ 000	**£ 000**
Recurring Revenue	8,187	5,267
Other Revenue	71	128
	8,258	5,395

The revenue was wholly derived from the United Kingdom.

5 Segment Information

Operating segments and reporting segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM'). The Group considers that the role of CODM is performed by the Board of Directors. The CODM regularly reviews the Group's operating results to assess performance and to allocate resources. All earnings, balance sheet and cash flow information received and reviewed by the Board of Directors is prepared at a company level. The CODM considers that it has a single business unit comprising the provision of direct-to-consumer online pension consolidation and, therefore, recognises one operating and reporting segment with all revenue, losses before tax and net assets are attributable to this single reportable business segment.

6 Tax

Tax credited in the Statement of Comprehensive Income.

	Unaudited six months to 30 June 2022 £ 000	Unaudited six months to 30 June 2021 £ 000
Current Taxation		
UK Corporation Tax	174	100
Tax Credit in the Statement of Comprehensive Income	174	100

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

7 Earnings per Share

Basic Earnings per Share is calculated by dividing the Loss Attributable to Ordinary Equity Holders of the Group by the weighted average number of ordinary shares in issue during the period.

Diluted Earnings per Share is calculated by dividing the Loss Attributable to Ordinary Equity Holders of the Group adjusted for the effect that would result from the weighted average number of ordinary shares plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares under option. At each balance sheet date reported below, the following potential ordinary shares under option are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of Diluted Earnings per Share.

	Unaudited six months to 30 June 2022	Unaudited six months to 30 June 2021
Number of Potential Ordinary Shares	5,100,186	4,317,196
Loss Attributable to Ordinary Equity Holders of PensionBee Group plc (£)	(16,736,000)	(12,667,000)
Weighted Average Number of Shares Outstanding during the Period	221,859,518	193,813,469
Basic and Diluted Earnings/(Loss) per Share (pence per Share)	(7.54)	(6.54)

8 Trade and Other Receivables

	Unaudited 30 June 2022 £ 000	Audited 31 December 2021 £ 000
Trade Receivables	1,326	1,335
Prepayments and Accrued Income	831	887
Other Receivables	756	949
	2,913	3,171

9 Share Capital

Allotted, Called Up and Fully Paid Shares

	Unaudited 30 June 2022		Audited 31 December 2021	
	No. 000	£ 000	No. 000	£ 000
Ordinary of £0.001 each	222,443	222	221,565	221
	222,443	222	221,565	221

10 Loans and Borrowings

Revolving Credit Facility

On 22 March 2021, the Group entered into a Revolving Credit Facility for up to £10 million with National Westminster Bank Plc as part of prudent capital management to provide it with further liquidity resources going forward. The Revolving Credit Facility was cancelled in September 2021.

For the period ended 30 June 2022, no fees were incurred in relation to the facility (30 June 2021: £203,000)

11 Trade and Other Payables

	Unaudited 30 June 2022	Audited 31 December 2021
	£ 000	£ 000
Trade Payables	1,739	356
Accrued Expenses	1,985	1,873
Social Security and Other Taxes	4	83
Other Payables	510	716
	4,238	3,028

12 Financial Assets and Financial Liabilities

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

13 Share-based Payments

PensionBee EMI and Non EMI Share Option Scheme

Scheme Details and Movements

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

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

The fair value of equity-settled share options granted is estimated as at the date of grant, considering the terms and conditions upon which the options were granted.

The fair value of the share options granted is estimated on the date of grant by reference to the prevailing share price. Before the Company was listed, the fair value was determined by reference to the price paid by external parties during the most recent periodic funding round.

No share options were granted during the six month ended 30 June 2022. The weighted average fair value of share options granted during the six months ended 30 June 2021 was £1.65.

Total number of share options exercised during the six months ended 30 June 2022 is 878,446 (30 June 2021: 8,124,404).

The total charge for the six months ended 30 June 2022 for Share-based Payments was £515,163 (30 June 2021: £1,845,000).

Deferred Share Bonus Plan

Scheme Details and Movements

Under the PensionBee Deferred Share Bonus Plan ('DSBP'), awards are granted to eligible employees who are or were employees (including an Executive Director) of the Group and have been granted a bonus. DSBP awards are granted at the end of the financial year once the annual bonus outturn has been determined. The exercise price of all DSBP awards is £nil per award.

Except for the two Executive Directors that were in office as at 31 December 2021 whose 2022 granted DSBP awards cliff vest on the third anniversary of the date of grant, all DSBP awards vest in three equal tranches over a service period of three years from grant date. DSBP awards vest upon satisfying the service condition.

The fair value of the DSBP awards is the share price on grant date. DSBP awards can be exercised to the extent they have vested.

The weighted average fair value of awards granted during the six months ended 30 June 2022 was £1.43 (30 June 2021: £nil).

Total number of awards exercised during the six months ended 30 June 2022 was nil (30 June 2021: nil).

The total charge for the six months ended 30 June 2022 for Share-based Payments was £447,849 (30 June 2021: £107,234).

Long Term Incentives

Scheme Details and Movements

Under the PensionBee Long Term Incentives ('LTI'), awards are granted to eligible employees who are or were employees (including an Executive Director) of the Group, at mid-level management or higher, and have been granted a bonus. LTI awards are granted in the subsequent year following a bonus grant. The exercise price of all LTI awards is £nil per award.

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

The fair value of the LTI awards is the share price on grant date. LTIP awards can be exercised to the extent they have vested.

The weighted average fair value of awards granted during the six months ended 30 June 2022 was £1.43 (30 June 2021: £nil).

Total number of awards exercised during the six months ended 30 June 2022 was nil (30 June 2021: nil).

The total charge for the six months ended 30 June 2022 for Share-based Payments was £154,579 (30 June 2021: £nil).

14 Principal Risks and Uncertainties

The Board continually reviews the principal risks and uncertainties facing the Group that could pose a threat to the delivery of the strategic objectives. The Board believes that the nature of the principal risks and uncertainties that may have a material effect on the Group's performance over the remainder if the financial year remain unchanged from those presented within the Annual Report & Financial Statements 2021.

15 Related Party Transactions

Related Party - Trustees

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

i. Payment of the PensionBee Trustees Limited bank fees on a quarterly basis. During the six months to 30 June 2022, bank fees amounted to £44,500 (30 June 2021: £15,900). There was no outstanding balance at six months ended 30 June 2022 (30 June 2021: £nil).

i. Compensation payments as a gesture of goodwill to customers that prefer to be compensated via a pension contribution or the purchasing additional units. During the six months ended 30 June 2022, these costs amounted to £51,600 (30 June 2021: £6,400). There was no outstanding balance at six months ended 30 June 2022 (30 June 2021: £nil).

i. Other payments to customers (e.g., referral rewards), payments are made from PensionBee and invested into the customers fund from the PensionBee Trustees account. These payments can be found in 'Other Expenses' and 'Advertising and Marketing'. During the six months ended 30 June 2022 these costs amounted to £264,100 (30 June 2021: £132,600). There was no outstanding balance at six months ended 30 June 2022 (30 June 2021: £nil).

Transactions with Directors

There were no transactions with Directors during the six months ended 30 June 2022. During the six months ended 30 June 2021, PensionBee Limited made a payment to HMRC on behalf of Mark Wood for £105,279. £105,279 was outstanding as at 30 June 2022.

16 Events After the Reporting Period

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

17 Alternative Performance Measures

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

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

Adjusted EBITDA

Adjusted EBITDA represents loss for the year before taxation, finance costs, depreciation, share-based compensation and transaction costs.

	Unaudited six months to 30 June 2022 £ 000	Unaudited six months to 30 June 2021 £ 000
Operating Loss	(16,886)	(12,562)
Depreciation Expense	139	124
Share-based Payment[1]	1,148	1,953
Listing Costs[2]	687	2,898
Adjusted EBITDA	**(14,912)**	**(7,587)**
Marketing Costs	12,357	6,100
Adjusted EBITDAM	**(2,555)**	**(1,487)**

(1) Relates to total annual charge in relation to share based payment expense as detailed in Note 13 to the Interim financial statements.

(2) Relates to expenses incurred in relation to preparation for admission to the London Stock Exchange.

Definitions

Financial Performance Measures

Revenue	Revenue means the income generated from the asset base of PensionBee's customers, essentially annual management fees charged on the AUA, together with a minor revenue contribution from other services.
Annual Run Rate ('ARR') Revenue	Annual Run Rate Revenue is calculated using the Recurring Revenue for the relevant month (June) multiplied by 12. This alternative performance measure has been selected to provide a more up-to-date metric for revenue given the amount of AUA in the relevant month.
Loss before Tax ('PBT')	Loss before Tax is a measure that looks at PensionBee's losses before it has paid corporate income tax.
Adjusted EBITDA*	Adjusted EBITDA is the operating profit or loss for the year before taxation, finance costs, depreciation, share based compensation and listing costs.
Adjusted EBITDA Margin*	Adjusted EBITDA Margin means Adjusted EBITDA as a percentage of revenue for the relevant year.
Basic Earnings per Share ('EPS')	Basic Earnings per Share is calculated by dividing the loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period.

Non-Financial Performance Measures

Assets under Administration ('AUA')	Assets under Administration is the total invested value of pension assets within PensionBee's Invested Customers' pensions. It measures the new inflows less the outflows and records a change in the market value of the assets. This KPI has been selected because AUA is a measurement of the growth of the business and is the primary driver of Revenue.
AUA Retention Rate (% of AUA)	AUA Retention measures the percentage of retained PensionBee AUA from Transfer Outs over the average of the year. High AUA retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.
Registered Customers ('RC')	Registered Customers measures customers who have started the sign-up process and have submitted at least a name and an email address and includes those customers who are classified as Active Customers.
Active Customers ('AC')	Active Customers means all customers who have requested to become an Invested Customer by accepting PensionBee's terms of business but for whom the transfer or contribution process is not yet completed and all customers who are classified as Invested Customers.
Invested Customers ('IC')	Invested Customers means those customers who have transferred pension assets or made contributions into one of PensionBee's investment plans.
Customer Retention Rate (% of IC)	Customer Retention Rate measures the percentage of retained PensionBee Invested Customers over the average of the year. High customer retention provides more certainty of future Revenue. This measure can also be used to monitor customer satisfaction.
Cost per IC ('CPIC')	Cost per Invested Customer means the cumulative advertising and marketing costs incurred sincePensionBee commenced operations up until the relevant point in time divided by the cumulative number of Invested Customers at that point in time. This measure monitors cost discipline of customer acquisition. PensionBee's desired CPIC threshold is £200-£250.
Same Year RC: IC Conversion	Same Year RC:IC Conversion percentage is calculated by dividing the number of Invested Customers as at the end of the period by the number of Registered Customers as at the end of the period. This measure monitors PensionBee's ability to convert customers through the acquisition funnel.
Contractual Revenue Margin (% of AUA)	Contractual Revenue Margin means the weighted average contractual fee rate across PensionBee's investment plans (before applying any size discount) calculated by reference to the amount of AUA held in each plan across the period.

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

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

Company Secretary
Michael Tavener

Registered Number
13172844

Registered Office
209 Blackfriars Road
London
SE1 8NL
United Kingdom

Auditor
Deloitte LLP
4 Brindley Pl
Birmingham
B1 2HZ
United Kingdom

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