

CLS Group Holdings AG

Interim Financial Report

30 June 2024



cls-group.com

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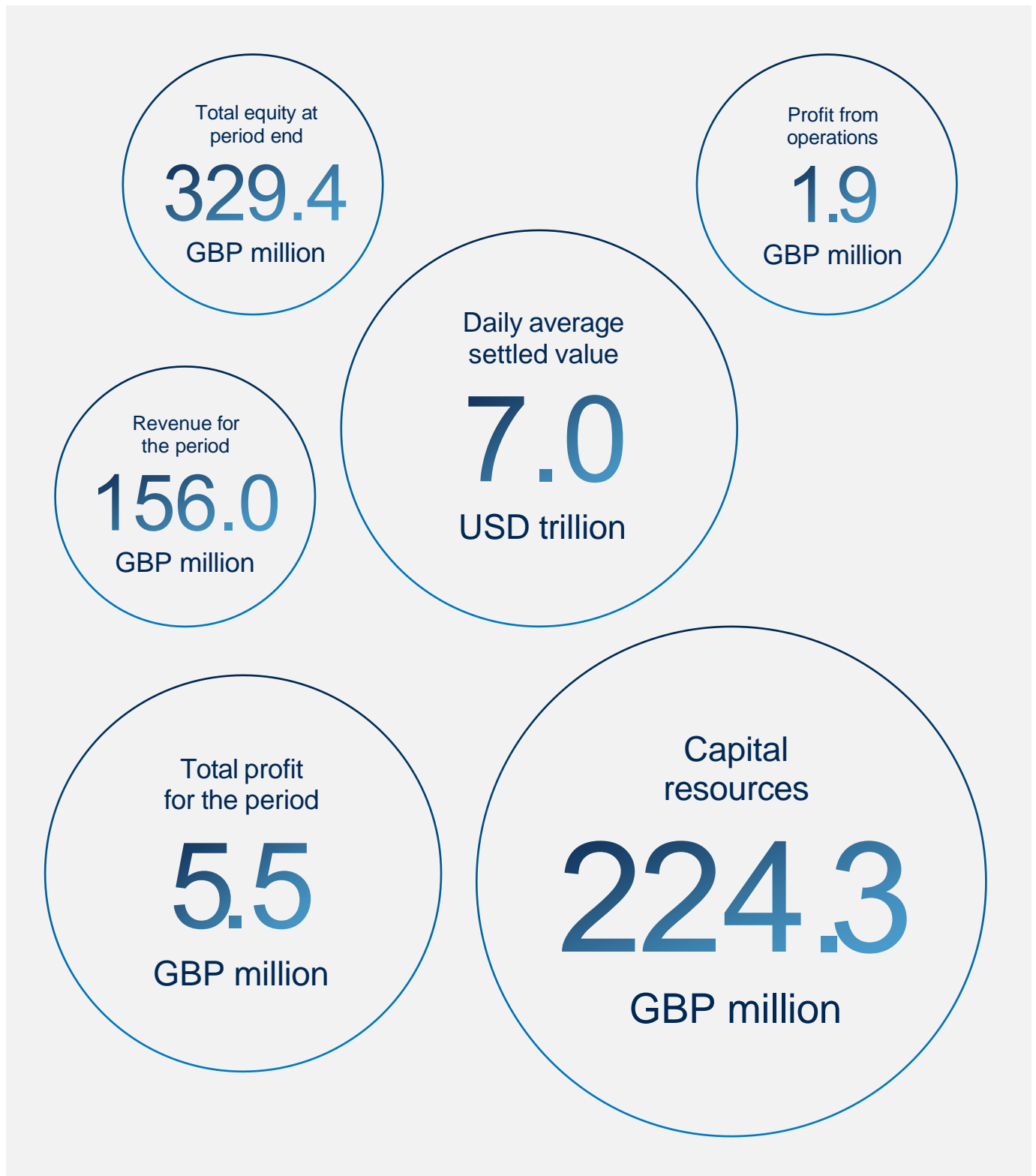
Contents

With over twenty years of trusted market solutions within the global FX ecosystem, CLS makes FX safer, smoother and more cost effective.

Chief Executive Officer's report	4
Condensed consolidated statement of profit or loss	6
Condensed consolidated statement of comprehensive income	7
Condensed consolidated statement of financial position	8
Condensed consolidated statement of changes in equity	10
Condensed consolidated cash flow statement	11
Notes to the condensed consolidated financial statements	12



2024 Interim Results Summary





Chief Executive Officer's report

Marc Bayle de Jessé

As we pass the midway point of 2024, I reflect on our continued focus on ensuring resilience and improving our services and look forward as we work to deliver and evolve our strategy.

Our products have grown steadily in volumes and values. CLSSettlement reported an average daily settled value of over USD7 trillion in H1 2024. On 20 June we set a new record daily settled value of USD19 trillion, which surpassed the previous record of USD16 trillion. With funding of only USD72 billion needed to settle the total value of USD19 trillion, our clients and the wider FX ecosystem benefitted from substantial capital and liquidity savings.

Beyond CLSSettlement, CLSNet has also maintained momentum from 2023, achieving an average daily netted value¹ of over USD130 billion in the first half of 2024. In June, it reached a record of USD593 billion of netted value.

Our strong financial performance in the first half of 2024 was driven by record levels of activity in CLSSettlement and a consistent focus on financial prudence. Revenue for the period increased to GBP156 million, compared to GBP138 million in H1 2023. Profit before tax was slightly down on H1 2023, (GBP6 million versus GBP7 million) but exceeded the budget for the period. Operating expenses for H1 2024 increased as we continued to invest across key areas of resilience, risk and controls, cybersecurity and infrastructure enhancements.

Capital resources remain strong at GBP224 million compared to GBP200 million in H1 2023. These balances are well above the minimum regulatory requirement, and we continue to mitigate risk by holding additional capital in the form of 'risk capital'. This reinforces our commitment to CLS's financial resilience.

Ecosystem engagement

We remain actively engaged with the FX ecosystem, our settlement members, policy makers and the broader market through various forums. This enables us to support the efforts of market-wide initiatives to reduce settlement risk.

As a member of the Payments Interoperability and Extension task force led by the Committee on Payments and Market Infrastructures, we are working with public and private sector stakeholders to help achieve targets of the Financial Stability Board's G20 Cross-Border Payments roadmap. And as part of the GFXC Settlement risk working group, we're contributing to the three-year review of the FX Global Code, a set of global principles of good practice for the FX market.

Shortening settlement cycles remains a topic across the FX ecosystem. We engaged extensively with our settlement members and the buy side, analyzed CLSSettlement transaction data and concluded that we wouldn't make any operational changes to CLSSettlement ahead of the T+1 implementation date in the US and Canadian securities market. To date, there has been no impact to CLSSettlement average daily volumes and values. Market participant feedback has reinforced our view that the market has made the necessary changes to accommodate the transition.

We see some evidence suggesting that the shortened settlement cycle is influencing behaviour in the asset manager and fund communities. For example, we have seen an uptick in fund-related submission values to CLSSettlement starting from 14:00 CET onwards, which could indicate an increase in funds executing the FX component of a security before confirmation of the security trade execution in order to submit their securities-related payment instructions to CLSSettlement ahead of the 00:00 CET initial pay-in schedule deadline. We continue to monitor and analyze our transaction data and will work to address any emerging issues in collaboration with our settlement members and the wider FX market.

Central Bank Digital Currencies (CBDCs) are also an area in which we continue to see rapid growth. Initiatives around the development of wholesale CBDCs in particular are gaining momentum, and there are several projects

¹ Netted value refers to bilateral net payment amounts calculated by CLSNet.



Chief Executive Officer's report (continued)

looking at FX use cases and PvP transactions. More than 40 project reports have emerged in the last few years, including one from the World Economic Forum released in April that reflected CLS input.

In a similar vein, we also partnered with Swift on phase two of its CDBC sandbox – an initiative to explore how cross-currency payment netting and settlement could look in a CBDC world. Our work here has enhanced our knowledge of the space and of how wholesale CBDCs could play a role in the future of FX. We will continue to monitor this area of development and innovation through collaboration with key industry participants.

People and ways of working

We see our people as our most valuable asset. We are proud to have been recognized by the Sunday Times once again this year as one of the best places to work. We remain steadfast in our commitment to ensuring the CLS environment is a great place to work – through policies and initiatives that focus on flexibility and collaboration and that seek to enhance our employees' sense of belonging and wellbeing, which is paramount.

These initiatives include a robust set of benefits, as well as several employee-led and -enabled affinity groups including but not limited to the Sustainability Network, Women's Forum, Black Employee Network, CLS Pride and Parents and Caregivers Network. Supported by senior leaders, these groups evolve and renew our focus on Diversity, Equity, and Inclusion by providing a safe space for our people to bring their whole selves to work.

Environmental, social and governance

Our focus on resilience extends beyond our core mission. As an employer, we understand our role in contributing to a strong, enduring planet. This is why we continue to work on our approach to environmental, social and governance (ESG) practices. We have based our sustainability initiatives on the United Nations Sustainable Development Goals (UN SDGs), which were created to support economic advancement and growth.

Board directors

We are pleased to welcome five new members to the CLS board of directors, as announced at our Annual General Meeting on 4 June 2024. The new directors are Teddy Cho (BNY Mellon), Scott Lucas (JP Morgan Chase), Akila Raman (Goldman Sachs), Peter Whitelaw (National Australia Bank) and Michael Lawrence (Independent / Outside Director). Their extensive knowledge of the market as well as their expertise in leadership and digital innovation, technology and risk will be invaluable. We look forward to working together as we continue to develop CLS's services to meet the needs of an evolving FX market. We would like to thank our departed Board Directors for the support they have provided to me and the Executive Management Committee.

Looking ahead to the remainder of 2024, we will continue to invest heavily in enhancing our resilience, technology capability, risk and controls and cybersecurity capabilities. As a critical service provider to the FX market, we uphold the highest levels of operational resilience above all else, and maintaining these levels will continue to be our top priority.

Marc Bayle de Jessé
Chief Executive Officer



Condensed consolidated statement of profit or loss

For the six months ended 30 June 2024 (All amounts stated in GBP000)

	Notes	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	Year ended 31 December 2023 (audited)
Revenue	3	155,998	138,258	276,678
Operating expenses		(154,055)	(133,166)	(280,095)
Profit / (loss) from operations	4	1,943	5,092	(3,417)
Finance income		4,476	2,591	6,771
Finance expenses		(529)	(352)	(778)
Profit before tax		5,890	7,331	2,576
Tax (charge) for the period	5	(382)	(1,756)	(4,964)
Profit / (loss) for the period		5,508	5,575	(2,388)

Notes from pages 12 to 22 form part of these condensed consolidated financial statements.



Condensed consolidated statement of comprehensive income

For the six months ended 30 June 2024 (All amounts stated in GBP000)

	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	Year ended 31 December 2023 (audited)
Profit / (loss) for the period	5,508	5,575	(2,388)
Exchange differences on translation of foreign operations	(242)	(880)	(153)
Gain / (loss) on cashflow hedge reserve	2,445	(6,970)	(4,647)
Gain / (loss) on OCI reserve	15	(26)	(60)
Total comprehensive income / (loss)	7,726	(2,301)	(7,248)

There is no recognized income or expense for the periods ended 30 June 2024, 30 June 2023 and year ended 31 December 2023 other than as stated above.

Notes from pages 12 to 22 form part of these condensed consolidated financial statements.



Condensed consolidated statement of financial position

At 30 June 2024 (All amounts stated in GBP000)

	Notes	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Non-current assets				
Intangible assets	6	102,840	120,360	109,924
Property, plant and equipment		5,935	4,349	6,727
Right of use assets	7	8,808	8,331	9,996
Other investments		599	323	333
Deferred tax asset		1,510	1,918	330
		119,692	135,281	127,310
Current assets				
Trade and other receivables	8	47,281	40,462	38,090
Current tax assets		6,143	9,107	6,778
Investments at fair value through OCI		78,047	74,149	76,118
Cash deposits		73,727	50,755	73,446
Cash and cash equivalents		72,500	75,201	80,841
		277,698	249,674	275,273
Total assets		397,390	384,955	402,583
Current liabilities				
Trade and other payables	9	(48,905)	(42,412)	(61,732)
Derivative financial instruments	12	(306)	(3,865)	(2,147)
		(49,211)	(46,277)	(63,879)
Net current assets		228,487	203,397	211,394



Condensed consolidated statement of financial position (continued)

At 30 June 2024 (All amounts stated in GBP000)

	Notes	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Non-current liabilities				
Other liabilities		(7,866)	(2,100)	(5,454)
Lease liabilities	10	(10,875)	(9,919)	(11,538)
		(18,741)	(12,019)	(16,992)
Total liabilities		(67,952)	(58,296)	(80,871)
Net assets		329,438	326,659	321,712
Equity				
Share capital	13	202,582	202,582	202,582
Share premium account		116,104	116,104	116,104
Combined merger and consolidated reserves		116,631	116,631	116,631
Translation reserve		3,121	2,636	3,363
Cash flow hedge reserve		(267)	(5,035)	(2,712)
OCI revaluation reserve		191	210	176
Retained earnings		(108,924)	(106,469)	(114,432)
Total equity		329,438	326,659	321,712

The unaudited condensed consolidated financial statements were approved by the Board of Directors on 19 September 2024 and signed on its behalf by:

Gottfried Leibbrandt
CLS Group Holdings AG
Chair

Marc Bayle de Jessé
CLS Group Holdings AG
Chief Executive Officer

Notes from pages 12 to 22 form part of these unaudited condensed consolidated financial statements.



Condensed consolidated statement of changes in equity

At 30 June 2024 (All amounts stated in GBP000)

	Share capital	Share premium	Combined merger and consolidated reserves	Translation reserve	Cashflow hedge reserve	OCI reserve	Retained earnings	Total equity
Balance at 1 January 2023	202,582	116,104	116,631	3,516	1,935	236	(112,044)	328,960
Profit for the period	–	–	–	–	–	–	5,575	5,575
Other comprehensive income	–	–	–	(880)	(6,970)	(26)	–	(7,876)
Balance at 30 June 2023	202,582	116,104	116,631	2,636	(5,035)	210	(106,469)	326,659
Profit for the period	–	–	–	–	–	–	(7,963)	(7,963)
Other comprehensive income	–	–	–	727	2,323	(34)	–	3,016
Balance at 31 December 2023	202,582	116,104	116,631	3,363	(2,712)	176	(114,432)	321,712
Profit for the period	–	–	–	–	–	–	5,508	5,508
Other comprehensive income	–	–	–	(242)	2,445	15	–	2,218
Balance at 30 June 2024	202,582	116,104	116,631	3,121	(267)	191	(108,924)	329,438

Notes from pages 12 to 22 form part of these condensed consolidated financial statements.



Condensed consolidated cash flow statement

For the six months ended 30 June 2024 (All amounts stated in GBP000)

	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	Year ended 31 December 2023 (audited)
Profit / (loss) from operations	1,943	5,092	(3,417)
Adjustments for:			
Amortization of intangible assets	15,125	14,519	34,577
Depreciation of property, plant and equipment and right of use assets	1,980	2,017	4,056
Foreign exchange gains / (losses) recognized in profit from operations	721	(3,150)	(769)
Lease payments	(1,184)	(1,616)	(3,505)
Profit / (loss) on matured hedges	1,332	1,950	(413)
Operating cash flows before movements in working capital	19,917	18,812	30,529
(Increase) / decrease in receivables	(8,267)	(1,639)	1,136
(Decrease) / increase in payables	(10,436)	(16,579)	4,768
Cash generated from operations	1,214	594	36,433
Income taxes (payable) / receivable	(904)	(889)	2,060
Net cash inflow / (outflow) from operating activities	310	(295)	38,493
Investing activities:			
Interest received	1,381	1,167	3,141
Maturity of cash investments	20,000	30,000	40,000
Placing of cash investments	(20,000)	(42,500)	(75,000)
Sale of FVOCI investments	–	3	3
Purchase of investment in SWIFT	(248)	–	–
Additions to intangible assets	(9,333)	(3,624)	(16,419)
Net cash (outflow) from investing activities	(8,200)	(14,954)	(48,275)
Net (decrease) / increase in cash and cash equivalents	(7,890)	(15,249)	(9,782)
Cash and cash equivalents at beginning of period	80,841	90,827	90,827
Effect of foreign exchange rate changes	(451)	(377)	(204)
Cash and cash equivalents at end of period	72,500	75,201	80,841

Notes from pages 12 to 22 form part of these condensed consolidated financial statements.



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

1. Significant accounting policies

These interim condensed consolidated financial statements are consistent with the accounting policies, presentation and principles for recognizing assets, liabilities, income and expenses as those applied in the preceding annual financial statements in the annual report for the financial year ended 31 December 2023.

The interim accounts are prepared in accordance with IFRS. A copy of the statutory accounts for the year ended 31 December 2023 can be obtained c/o BDO AG Landenberstrasse 34, 6002 Lucerne Switzerland.

The auditors issued an unqualified report on those accounts, which were prepared in accordance with IFRS, and no matters were identified that required attention.

The information for the period ended 30 June 2024 does not constitute statutory accounts as defined in Swiss law. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

2. Critical accounting judgments and key sources of estimation uncertainty

In the preparation of the interim condensed consolidated financial statements, management has made a number of estimates and judgments which affect the reported amount of assets and liabilities at the date of the financial statements and the reported amount in income and expenses during the reporting period that are consistent with those as described in the Group's annual consolidated financial statements for the year ended 31 December 2023.

Estimates and judgments are continually evaluated and are based on historical and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

3. Revenue

	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	Year ended 31 December 2023 (audited)
Instruction processing charges	140,481	124,378	247,370
Annual account maintenance fees	4,382	4,383	8,820
CCP Settlement	2,000	1,813	3,750
Liquidity usage fees	1,281	1,321	2,638
Other revenues	7,854	6,363	14,100
Total revenue	155,998	138,258	276,678

4. Profit / (loss) from operations

The profit / (loss) from operations has been arrived at after charging:

	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	Year ended 31 December 2023 (audited)
Staff costs	73,574	62,395	130,663
IT service charges	25,194	28,755	52,691
Amortization of intangible assets	15,125	14,519	30,460
Impairment of intangible assets	—	—	4,117
Depreciation of property, plant and equipment	1,980	2,016	4,056
Foreign exchange losses / (gains)	117	(436)	(609)
Foreign exchanges losses / (gains)/ on forward contracts	604	(767)	(162)
Telecom costs	11,499	10,454	21,383
Professional services costs	17,151	10,057	20,841
Establishment costs	1,776	1,335	3,045
Auditor's remuneration for audit services for current and prior periods	405	458	920
Other	6,630	4,380	12,690



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

5. Tax

	6 months ended 30 June 2024 (unaudited)	6 months ended 30 June 2023 (unaudited)	Year ended 31 December 2023 (audited)
Current tax:			
UK corporation tax			
– Current period	–	–	–
Non-UK corporation tax			
– Current period	(1,575)	(925)	(2,189)
– Withholding tax	–	–	(385)
Current tax expense for the period	(1,575)	(925)	(2,574)
Deferred tax:			
Relating to origination and reversal of temporary differences and brought-forward losses	(1,360)	550	4,669
Adjustments in respect of previous periods	–	–	(154)
Differences arising from deferred tax functional currency	2,553	(1,381)	(6,905)
Deferred tax credit / (charge) for the period	1,193	(831)	(2,390)
Total tax (charge) for the period	(382)	(1,756)	(4,964)

Non-UK tax relates to USA, Switzerland, Hong Kong and Japan.



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

6. Intangible assets

	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Assets in course of construction – cost			
Opening balance	8,873	10,380	10,380
Additions	9,333	3,624	16,419
Transfers	(1,292)	–	(14,753)
Transfers to property, plant and equipment	–	–	(3,168)
Effects of movements in exchange rates	–	–	(5)
Closing balance	16,914	14,004	8,873
CLS settlement system – cost			
Opening balance	306,747	299,308	299,308
Transfers	–	–	7,439
Disposals	–	–	–
Closing balance	306,747	299,308	306,747
CLS non-settlement system – cost			
Opening balance	30,720	23,406	23,406
Transfers	–	–	7,314
Disposals	–	–	–
Closing balance	30,720	23,406	30,720
Total cost	354,381	336,718	346,340



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

6. Intangible assets (continued)

	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
CLS settlement system – accumulated amortization			
Opening balance	214,994	184,308	184,308
Charge for period	11,417	12,804	26,569
Impairment of intangible assets	–	–	4,117
Disposals	–	–	–
Closing balance	226,411	197,112	214,994
CLS non-settlement system – accumulated amortization			
Opening balance	21,422	17,531	17,531
Charge for period	3,708	1,715	3,748
Impairment of intangible assets	–	–	143
Disposals	–	–	–
Closing balance	25,130	19,246	21,422
Total amortization	251,541	216,358	236,416
Net book value			
Assets in course of construction	16,914	14,004	8,873
Settlement assets	80,336	102,196	91,753
Non-settlement assets	5,590	4,160	9,298
Intangible assets total	102,840	120,360	109,924



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

7. Right of use assets

	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Property – cost			
Opening balance	24,022	20,474	20,474
Additions to right of use assets	–	715	5,537
Derecognition of right of use assets	–	–	(1,989)
Closing balance	24,022	21,189	24,022
Office equipment – cost			
Opening balance	787	706	706
Additions to right of use assets	–	–	81
Disposals	(513)	–	–
Closing balance	274	706	787
Property – accumulated depreciation			
Opening balance	14,096	11,433	11,433
Charge for the year	1,175	1,433	2,663
Closing balance	15,271	12,866	14,096
Office equipment – accumulated depreciation			
Opening balance	717	681	681
Charge for the year	13	17	36
Disposals	(513)	–	–
Closing balance	217	698	717
Net book value			
Property	8,751	8,323	9,926
Office equipment	57	8	70
Right of use assets total	8,808	8,331	9,996
	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Amounts recognized in profit or loss			
Interest on lease liabilities	529	352	778
Amounts recognized in statement of cash flows			
Total cash outflow for leases	1,184	1,616	3,505



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

8. Trade and other receivables

	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Trade receivables	29,149	26,224	24,226
Pre-payments and accrued income	14,645	12,824	11,401
VAT recoverable	1,404	933	1,346
Other receivables	2,083	481	1,117
Total	47,281	40,462	38,090

The Directors consider that the carrying value of trade receivables approximates to their fair value because they are short-term in nature.

Significant pre-payments relate to IT maintenance, IT licenses and insurance. Accrued income relates to amounts for instruction processing fees.

9. Trade and other payables

	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Accruals	(30,529)	(25,830)	(39,888)
Deferred income	(6,755)	(6,660)	(9,224)
Trade payables	(3,013)	(4,193)	(5,436)
Social security costs	(2,815)	(2,303)	(3,663)
Other payables	(5,793)	(3,426)	(3,521)
Total	(48,905)	(42,412)	(61,732)

Trade and other payables principally include accruals relating to trade purchases for the CLSSettlement system.

The Directors consider that the carrying amount of trade payables approximate to their fair value because they are short-term in nature.

10. Lease liabilities

	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Lease liabilities – office equipment	(58)	(5)	(70)
Lease liabilities – property	(10,817)	(9,914)	(11,468)
Total lease liabilities	(10,875)	(9,919)	(11,538)



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

11. Accounting classifications and fair values

Set out below is a comparison by category of book values and fair values of the Group's financial assets and financial liabilities.

	30 June 2024 (unaudited)		30 June 2023 (unaudited)		31 December 2023 (audited)	
	Book	Fair Value	Book	Fair Value	Book	Fair Value
Financial assets						
1. Other investments	599	599	323	323	333	333
2. Loans and receivables: Trade and other receivables	47,281	47,281	40,462	40,462	38,090	38,090
3. FVTOCI Investments	78,047	78,047	74,149	74,149	76,118	76,118
4. Cash and cash equivalents	72,500	72,500	75,201	75,201	80,841	80,841
5. Deposits	73,727	73,727	50,755	50,755	73,446	73,446
Total financial assets	272,154	272,154	240,890	240,890	268,828	268,828
Financial liabilities						
6. Financial liabilities at amortized cost: Trade and other payables	(48,905)	(48,905)	(42,412)	(42,412)	(61,732)	(61,732)
7. Derivative financial instruments	(306)	(306)	(3,865)	(3,865)	(2,147)	(2,147)
8. Other liabilities	(7,865)	(7,865)	(2,104)	(2,104)	(5,454)	(5,454)
Total financial liabilities	(57,076)	(57,076)	(48,381)	(48,381)	(69,333)	(69,333)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

11. Accounting classifications and fair values (continued)

Fair value hierarchy as at 30 June 2024 (unaudited)				
	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in SWIFT	–	–	599	599
FVTOCI investments	114	77,933	–	78,047
Financial liabilities				
Derivative financial instruments	–	(306)	–	(306)

Fair value hierarchy as at 30 June 2023 (unaudited)				
	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in SWIFT	–	–	323	323
FVTOCI investments	7,101	67,048	–	74,149
Financial liabilities				
Derivative financial instruments	–	(3,865)	–	(3,865)

Fair value hierarchy as at 31 December 2023 (audited)				
	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in SWIFT	–	–	333	333
FVTOCI investments	25,855	50,263	–	76,118
Financial liabilities				
Derivative financial instruments	–	(2,147)	–	(2,147)



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

12. Derivative financial instruments

The Group uses currency derivatives to mitigate exposure to significant foreign currency cash flows. For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow is recognized initially in other comprehensive income, and then recycled to the income statement in the periods when the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognized in the income statement immediately.

At the balance sheet date, the Group has the following open positions:

	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Forward foreign currency contracts in hedging relationships	(306)	(3,865)	(2,147)
Closing balance	(306)	(3,865)	(2,147)

These are level 2 derivatives. Level 2 fair value measurements are those derived from inputs other than quoted prices on the open market that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices). There has been no change in the valuation technique since year end 2023.

Gains and losses transferred from the cash flow hedging reserve to the income statement included;

	At 30 June 2024 (unaudited)	At 30 June 2023 (unaudited)	At 31 December 2023 (audited)
Gains and losses transferred from the cash flow hedging reserve to the income statement included loss / (gain) of:	1,332	(1,949)	412

Allocated as follows:

Payroll expense (gain) / loss	583	(853)	180
Supplier expense (gain) / loss	499	(731)	155
Tax expense (gain) / loss	250	(365)	77



Notes to the condensed consolidated financial statements

For the period ended 30 June 2024 (All amounts stated in GBP000)

13. Share capital

Authorized	Upper limit		Lower limit	
	No. ordinary shares CHF1,400 each	Total nominal value CHF000	No. ordinary shares CHF1,400 each	Total nominal value CHF000
30 June 2024	301,858	422,601	281,858	394,601

On 6 June 2023, CLS Group AG's Articles of Association were amended to introduce a new share capital band. This allows the Board of Directors to authorize the issue of up to 10,000 new registered shares or cancel up to 10,000 existing registered shares, up until 6 June 2028.

Authorized	No. ordinary shares CHF1,400 each	Total nominal value CHF000
30 June 2024	350,997	491,396
31 December 2023	350,997	491,396

Allotted and fully paid	No. ordinary shares CHF1,400 each	Total nominal value CHF000	Total nominal value GBP000
30 June 2024	291,858	408,601	202,582
30 June 2023	291,858	408,601	202,582
31 December 2023	291,858	408,601	202,582

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