

SaltPay

Annual Financial Report

Financial Statements for the Year Ended 31 December 2021

Salt Pay Co Ltd. | Incorporation Number 353341

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abbreviations

the 2006 Act	The Companies Act 2006
s418	Section 418 of the Companies Act 2006
Accounting Regulations	The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) as amended
Acc Regs Sch. 7:11	Paragraph 11 of Schedule 7 to the Accounting Regulations
IFRS 1:23	Paragraph 23 of International Financial Reporting Standard 1
IAS 1:25	Paragraph 25 of International Accounting Standard 1
IFRIC 1:15	Paragraph 15 of Interpretation 1 issued by the IFRS Interpretations Committee
LR 9.8.6R	Paragraph 8.6R of Chapter 9 of the Listing Rules of the Financial Conduct Authority
FRS 101.8(g)	Paragraph 8(g) of Financial Reporting Standard 101

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Strategic Report

cautionary statement

This Strategic report has been prepared solely to provide information to shareholders to assess how the directors have performed their duty to promote the success of the company.

The Strategic report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This Strategic report, which incorporates the information required in the non-financial information statement and the s172(1) statement, has been prepared for the Salt Pay Group as a whole and therefore gives greater emphasis to those matters which are significant to Salt Pay Co Ltd. and its subsidiary undertakings when viewed as a whole.

about SaltPay

Salt Pay Co Ltd. ("The Company") is a holding company that controls several payment services and software provider companies in multiple jurisdictions, serving merchants across Europe to the Salt Pay Group ("SaltPay" or "the Group"). SaltPay's core customer is small-to-medium sized enterprises ("SMEs") across different industry verticals, and our mission is to offer merchants payment solutions, software solutions and services that enable them to better manage, develop and grow their businesses and ultimately better compete in the marketplace. Alongside our payment and software solutions for SMEs, SaltPay offer enterprise solutions such as issuer payment processing, cloud-native payments and business management Software-as-a-Service to global FinTechs, payment providers, banks, and mobile network operators.

Our product offering can be broken down into three areas:

First, SaltPay are licensed as a payment acquirer and enable the acceptance of different payment methods for the merchants we serve. We supply payment terminals and enable the authorisation, clearing and settlement flows to connect transactions to our merchants' accounts.

Secondly, we supply software solutions to help merchants automate more of their operational processes or to drive customer acquisition, frequency, retention and spend. These software solutions currently include a customer loyalty platform (branded as 'Yoyo'), an electronic point-of-sale ("EPOS") solution (branded as 'Storyous'), a bill payment solution (branded as 'Pagaqui'), a mobile-first Point-of-Sale and Inventory Management Software solution (branded as 'Loyverse'), an e-commerce gateway, and we are in the process of developing a merchant loans solution, among others.

Thirdly, we are a principal member of Mastercard and an Issuer Processor, connecting our customers (primarily issuing banks and mobile network operators) with the card schemes to manage card issuance, authorise transactions, provide the system of record and communicate with all the different clearing and settlement parties. Our Issuer Processing capability operates under the 'Paymentology' brand, following the unification of Tutuka and Paymentology.

As of 31 December 2021, we sell various parts of our suite of payment and software solutions in 11 countries: Croatia, Czech Republic, Hungary, Iceland, Ireland, Poland, Portugal, South Africa, Slovakia, Spain, the UK. Our distribution channels for these solutions include field sales, third party commercial partnerships and online marketing and lead generation. Our Issuer Processor, Paymentology, operates in 49 countries across five continents and distributes through an enterprise sales team to FinTechs, payment providers, banks, and mobile network operators.

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Strategy

SaltPay's strategic objective is to become the primary software solution that our customers use to manage their business operations, with a solution including payment, e-commerce, lending facility, business management, analytics, loyalty and other services served. We aim to offer these solutions as a seamless experience for the customer with a single supplier relationship, a single login authentication, a single customer portal experience, and integrated customer service team across customer relations, logistics and sales operations.

If we're able to achieve this objective, we believe the unit economics will provide strong financial returns (low cost of acquisition, high customer lifetime value) and will differentiate us in the market and drive more customers into our solutions.

To enable this objective, we have several strategic focusses across the business that were in operation in 2021:

In a market with a very fragmented payment ecosystem, we have been focused on building and acquiring infrastructure in-house to offer our payment acceptance solution with little third-party dependency. Without this dependency, we can maximise profit margin opportunity (without revenue share) and collect data to improve the payment flow, in order to offer the best experience to our customers. We have built our own sales channels, logistics and customer relations functions. We have developed our terminal software and typically lease terminals directly to merchants. With this connected experience, we believe we will be able to differentiate on the experience we can offer to merchants, and building this foundation was of strategic importance in 2021.

Firstly, we have been actively exploring solutions available in the market that can complement our existing suite of products and engaging in strategic mergers and acquisitions ("M&A") activity, bringing founder entrepreneurs, talent, product and client bases into SaltPay. In 2021, we made seven acquisitions to improve our suite of products, whilst we also continue build merchant-facing software solutions in-house.

Secondly, we have been developing a common product infrastructure that will enable interoperability between our different payment and software solutions. This product infrastructure includes an onboarding flow, customer identification, authentication, connected data lake and an online portal where customers can manage and interact with our products.

Thirdly, we are actively seeking integration partnerships with other software providers in the market to connect into our suite of products. These partnerships will enable merchants to use software already in place to manage their business alongside parts of our product suite, including our common product infrastructure. With this model in place, partners would be able to re-sell SaltPay's payment and software solutions through their own distribution channels as part of a bundled offering, or benefit from SaltPay's distribution channels if their unit economics are less favourable.

Paymentology, our Issuer Processor, is another valuable part of our value chain, offering a solution to customers that's differentiated based on its global reach with local support, on a cloud-native platform. In addition to revenue and margin contribution to the Group, we plan to utilise this Issuer Processing infrastructure to enable SaltPay to issue our SME merchants with corporate debit or credit cards and a merchant account they can be settled into if they are a customer of our payment acceptance solutions, removing their need to work with another supplier for a corporate account, and further expanding the breadth of our connected offer.

The business model

SaltPay's different business units have varying a variety of customer types, distribution efforts, revenue and cost structures.

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SaltPay's core business targets SMEs with payment and software solutions, SaltPay also reach end consumers through our loyalty application used by c.3 million users, branded as Yoyo, and a smaller group of end consumers using our instalments (consumer lending) product. Through our Issuer Processing solution, under the Paymentology brand, we serve the enterprise segment to banks, FinTechs and Mobile Network Operators.

Our payment acceptance solution targeted at SMEs is charged to merchants in an ad valorem model, with our fees charged as a percentage of total processed volume ("TPV"). Other fees include monthly terminal rental charges and, in some cases, a fixed minimum fee to merchants who process TPV less than a minimum threshold. Our merchants are typically settled on a T+1 (next business day) cycle with fees deducted from settlement amounts. Our third-party costs deducted from our gross revenues to calculate *net revenues include interchange fees (to the issuing banks) and scheme fees (to the payment schemes)*. Our software solutions, targeted at SMEs, typically work on a software-as-a-service model with a fixed monthly charge based on the amount and type of software solutions selected, and sometimes on a per transaction or ad valorem basis when transactions take place with our connected software. As we increase the connectivity of our solutions and cross-sales opportunity, we will increase the number of products sold as bundled solutions together in order to offer more attractive product and pricing propositions to merchants.

We serve the SMEs using our solutions in several different ways. Our primary distribution channel for acquiring new merchants is through our field sales channel. We also acquire customers through referral partners, who will typically deduct a fixed percentage from ongoing TPV as their source of revenue. A portion of our total merchant base are using a third-party merchant acquirer for their payment processing, either because the third-party merchant acquirer has sold a SaltPay software solution to the merchant alongside their own product as part of an integrated solution, or because the merchant is contracted to a company previously partnering with another merchant acquirer for payment processing, and that company has now been acquired by SaltPay. In the former case, our revenue source from these merchants is through a SaaS fee, or in the latter case it's via a revenue share agreement in place and we typically deduct a fixed percentage from ongoing TPV as our source of revenue.

For our solutions targeted at end consumers, our Yoyo-branded loyalty platform is used by consumers for both transactions and collecting or redeeming loyalty rewards at different merchant outlets. Whilst we do not directly monetise this consumer base today, we generate revenue through the merchants we serve for transactions using this mobile application. For our instalments (consumer lending) product, we offer loans with interest repayments, alongside a fixed fee and payment fee, or in a buy now pay later option where the payment does not require a credit card linked to the transaction, where the merchant pays 1% of the fee and the consumer pays a fixed amount for repayment within two weeks.

For our Issuer Processing solution, targeted at the enterprise segment, our revenue model includes set up and development fees charged to develop a card issuing platform for clients, and then primarily on a per transaction basis when transactions are made using a credit or debit card issued by Paymentology, and also fees based on the numbers of credit or debit cards issued.

For smaller clients there are minimum fees in place when transaction volume thresholds are not met, and for larger clients, pricing is tiered, and these clients can achieve a lower per transaction cost. The majority of cost to support this product is people and resource, with no significant third-party cost of sales.

Business performance

A fair review of the business

2021 was the second full calendar year following SaltPay's incorporation in October 2019. The Group went through significant evolution and growth over the course of the year, including several new milestones.

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SaltPay completed the acquisition of seven new groups of companies: the Storyous group (EPOS), the Merchantpas group (Independent Sales Organisation ("ISO")), the Paymentology group (Issuer Processing), the Tutuka group (Issuer Processing), Switch S.A. (Payment Infrastructure), the Retail Merchant Services group (ISO) and the Loyverse group (EPOS). These acquisitions served a mix of purposes; extending our addressable market with new product verticals and presence in new markets, adding new technologies into our infrastructure to control more of the payment flow, and adding more merchants into our network with material opportunity for cross-sell.

SaltPay grew the total headcount across the business from c.600 to c.1,500 employees and we began operations in several new markets. The volume of merchants we serve grew from c.30,000 to c.100,000. SaltPay completed two fundraising rounds in March (Series C) and November (Series C Extension) in total raising c.\$896M with the pre-money valuation reaching \$9bn. Additional details surrounding current year fundraising can be found in note 30.

Our primary focus was placed on the enhancement of technology and operational infrastructure, strengthening product offering, and cultural integration across the network (total headcount now c.1,500) to enable 2022 scaling. As part of our Series C plan developed in Q1, we developed a series of strategic objectives to achieve by the end of the year. In all cases these objectives were met, though on the foundation of technology and operational infrastructure, we realised more complexity than originally forecast in our plan and expect further extension in 2022. Those objectives were as follows:

1. Deliver growth and achieve €114M of net revenues in 2021.
2. Complete entry into the UK market through acquisition of UK ISO.
3. Develop cloud-native issuing platform ready to be scaled globally.
4. Build the foundation of technology and operational infrastructure, and strengthen regional teams to prepare for scaling.
5. Strengthen the existing product offering with additional value-added services for SMEs.

Our operation also faced several challenges in 2021. As with 2020, COVID-19 had an impact on SaltPay, with merchants across our countries experiencing restrictions and experiencing volatility in terms of consumer spending and processing volume. The travel sector was particularly vulnerable to this effect, and we also experienced the closure of merchants in our portfolio. We also took the decision to end the relationships with larger enterprise merchants in our portfolio which represented complexity in our service model, resulting in churn and loss of revenues. While scaling our technology function we have experienced a challenging climate for recruitment of technology specialists and software developers and have also worked to resolve inconsistencies with the hiring process across our global network.

Financial performance

SaltPay's growth was in line with expectations set in the Series C financial plan developed in Q1. Net Revenues reached €74M for 2021 at c. 3% ahead of plan and 270% above full year 2020 of €20M.

The Payment Acceptance business unit delivered 141% annualised net revenue growth (2021: €25.8M vs. 2020: €10.7M) during a year primarily focused preparation for future scaling. These preparations included the acquisition of new businesses and their payment acceptance, or acquiring, revenue streams as well as focused efforts to grow the TPV within our existing acquiring revenue stream. Acquiring TPV experienced 81% annualized growth across the year, with strong growth in the second quarter in line with an increase in active merchants, and slower growth from Q3 to Q4 following the impact of discontinuation of agreements with legacy enterprise customers, and by COVID-related measures in the UK and our other markets.

The Software business unit delivered 510% annualised net revenue growth (2021: €18.3M vs. 2020: €3.0M) helped by Q4 growth of EPOS portfolio and partnerships revenue, 29% ahead of the Series C plan. Despite this growth, the number of merchants with multiple products in our portfolio remained below 5%.

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The Issuing business unit delivered 505% annualised net revenue growth (2021: €18.2M vs. 2020: €3.0M) with a pick-up in organic growth in Q2 following the unification of Paymentology and Tutuka, under the Paymentology name. Four new key clients contributed to growth in Q4 after a successful program rollout.

35% of 2021's net revenue mix was represented by Payment Acceptance, 25% by Issuing, 24% by ePOS, SaaS and hardware rentals (Software), with Lending at 7%, Hardware Sales at 4% and other sources at 6%. In terms of contribution by region, Western Europe represented 51% of our net revenues, Eastern Europe at 25% and other markets (including our global issuing customers) at 24%.

Cost of Sales rose steadily across the year but more quickly in Q4 mainly as a result of the sale of part of our lending portfolio and new associated funding costs, while we build the foundations of a new lending proposition for future release.

Increased investment in recruitment and technology expenditure led to an increase in Opex in H2 and a drop in EBITDA in Q4, with the revenue benefits from this new growth in headcount yet to be realised.

We also analyse key performance indicators ("KPIs") to more broadly understand our business performance. For the purpose of like-for-like comparison of our KPIs across the year, we assume all newly acquired companies were part of SaltPay from 1 January 2021 to avoid having inorganic growth from 2021 acquisitions skew quarter-over-quarter changes.

With regards to merchant growth, we measure the total number of merchants paying for our solutions who were active (processed transaction volume or used our software solutions) over a given period of time, as a primary KPI. Looking at the growth of this metric across the year we saw the average number of active merchants grow 16% from Q1 (c.83,000) to Q2 (c.96,000) helped by the easing of COVID restrictions in our key markets, before more steady growth in the following quarters, reaching c.100,000 in Q4.

With regards to TPV, we recognised €14.1bn of acquiring TPV in 2021 which was >320% above full year 2020 (€3.3bn). TPV peaked in Q3 (reaching €5.0bn) thanks to seasonal effects of transaction volume over summer in our key markets.

Financial position

Our balance sheet at 31 December 2021 can be summarised as set out in the table below:

	Assets €m	Liabilities €m	Net assets €m
Property, plant and equipment	10.4	-	10.4
Goodwill and intangible assets	645.4	-	645.4
Right-of-use assets and lease liabilities	10.4	(10.8)	(0.4)
Deferred tax assets and liabilities	7.3	(22.1)	(14.8)
Investments	28.1	-	28.1
Trade and other receivables and payables	61.3	(81.8)	(20.5)
Inventories	23.7	-	23.7
Cash and bank balances	524.2	-	524.2
Other non-current assets and liabilities	-	(8.9)	(8.9)
Other current assets and liabilities	-	(8.3)	(8.3)
Assets classified as held for sale	3.7	-	3.7
Total before net debt	1,314.5	(131.9)	1,182.6
Net debt	-	(12.2)	(12.2)
Total as at 31 December 2021	1,314.5	(144.1)	1,170.4

Property, plant and equipment has increased by €1.5M compared to the previous year end due to €3.3M of fixed assets purchased during the year, offset by the depreciation of existing assets. There are

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offsetting €9M increases to right-of-use assets and lease liabilities resulting from new leases entered into during the year. Deferred tax assets have increased by €1.9M due to additional carry forward losses

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incurred, while deferred tax liabilities have increased by €8M due to balances brought into the Group by entities acquired during 2021. Other non-current assets have decreased by €6M due to the repayment of a receivable from the Group's majority owner (SPG Holdings Limited), while other non-current liabilities have increased by €9M due to additional consideration owed in connection with current year M&A activity, payable in the future.

Within current assets and liabilities, cash has increased by €382M compared to the previous year end, largely driven by completion of two fundraising rounds during 2021. Inventory has increased by €22M due to several large purchases of hardware in December 2021 that have not yet been deployed to customers prior to year-end. Trade receivables have increased by €11M due to an overall increase in business from both organic and inorganic growth along with the addition of the 2021 acquisitions to consolidation. Trade payables have decreased by €12M from the timing of flow-through settlement payments surrounding the end of the year.

Investments have remained largely consistent from 2020 to 2021, although there has been a shift of €11M in investments from non-current assets at the previous year end to current assets at the current year end. This classification is driven by the remaining length of time over which the investment is expected to be held.

Assets classified as held for sale have increased by €3.7M due to the ongoing sale of real estate owned by the Group in Iceland. This sale was completed in 2022. There are no liabilities directly associated with the asset classified as held for sale.

Debt has increased by €10M due to additional borrowings undertaken by individual legal entities within the SaltPay Group.

Our financial position has also been impacted by the acquisition of seven new groups of companies throughout the year (Storyous, Merchantpas, Paymentology, Tutuka, Switch, Retail Merchant Services and Loyverse) who have been incorporated into consolidation between 31 December 2020 and 31 December 2021. In addition to the net assets each newly acquired company brought into the consolidated balance sheet, completion of these acquisitions had a €614M increase on goodwill and intangible assets.

events after the reporting period

Between the date of the financial statements and the date of their issuance, the Group made twenty new investments in subsidiaries, associates, joint ventures, and financial assets. The Group additionally completed the liquidation and deregistration of one subsidiary and initiated the liquidation process for another subsidiary. Lastly, the Group completed the sale of an asset held for sale. Additional details surrounding events after the reporting period can be found in note 41.

SaltPay's social responsibility

SaltPay have implemented practices concerning social responsibility, which emphasises that our work should be to the benefit of society and its stakeholders. Our practices with respect to social responsibility looks at the impact of our activities on our stakeholders, the environment and the United Nations' Global Goals for sustainable development. We focus our impact primarily on 3 of the 17 UN Global Goals, namely 'Health and Well-being', 'Gender equality' and 'Responsible consumption and production'.

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People & equality

SaltPay strive to recruit qualified people who have ambitions to achieve outstanding results in their work and to create a safe and healthy work environment and equal opportunities for our employees. We do not and will not tolerate human rights violations, poor working conditions or illegal or unethical business practices in any aspect of our business. Our activities with regard to human resources are in full compliance with current laws in all jurisdictions in which we operate, such as laws on occupational safety and health and general legislation on labour market matters.

It is our goal that SaltPay will be the first choice of qualified individuals and will provide a working environment where employees have the opportunity to develop and strengthen. At SaltPay, our aim is to promote the continuous professional development of employees in order to enable them to thrive in the workplace and support the Group to advance the financial technology industry for the good of our merchants and society. Equality is of paramount importance to SaltPay, and we believe that diversity is a key factor in our success.

We promote equal opportunities among genders within SaltPay by:

- Encouraging active participation of all staff in decision-making
- Giving all employees a mandate to act and thus the opportunity to show initiative and independence in their work
- Paying comparative wages for comparable jobs

Environmental matters

SaltPay strive to minimise the environmental impact of our operations as much as possible and to constantly seek ways to improve our environmental performance. We encourage efficient use of resources in our value chain and thus promote positive environmental impact and environmental protection. We also make every effort to ensure our compliance with legal requirements and regulations concerning environmental issues.

Today, SaltPay are working to reduce its environmental impact through measures such as:

- Purchasing and shipping inventory and other supplies in the most efficient manner possible, using local suppliers where possible and streamlining purchases into bulk shipments
- Consciously considering travel choices and the necessity of travel
- Limiting waste pollution by reducing unnecessary consumption, reusing as much as possible and selecting suppliers with regard to their ecological footprint

Against corruption

Every aspect of SaltPay's operations is obliged to conduct itself in an honest and ethical manner, as the integrity of our employees is crucial when it comes to maintaining the Group's trust and reputation.

Our main tools for combating corruption are good governance and policies (e.g., Gifts and Hospitality, Conflicts of Interest and Procurement processes) which promote transparency in our working methods and operations. All incidents where misconduct is suspected (e.g., unethical use of the Group's information, funds or other assets) are reported to the relevant authorities. We seek to combat any kind of misconduct through preventative measures including training programmes, the active promotion of policies and a robust control framework.

risk management – our approach

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SaltPay recognise the importance of having a proportionate risk management and control environment and how this translates to preventing harm to our merchants. In doing so, we have organised ourselves in a manner that reflects the three lines of defence model to help manage our business operations and work collaboratively to support our strategy.

Our risk management framework defines key policies and procedures and provides playbooks for our people to use in day-to-day operations. We encourage a proactive risk culture throughout the Group so there are clear lines of communication and a tone from the top which encourages the importance of good risk management practices.

Within the three lines of defence, our first line owns and manages risk on a day-to-day basis. Our second line proactively works with the first line to oversee, understand and control risk, as well as, advising on risk related strategy matters. Our third line provides independent assurance to the Board and executive team concerning the effectiveness of management of risk and control.

principal risks and uncertainties

Financial risk

We consider the main financial risks as key risks to manage in our day-to-day operation. These are defined as Credit, Market, Liquidity and Capital Risk. We manage our credit risk by working with quality payment partners, additionally we perform credit checks as part of our due diligence process. To mitigate our market risk, we use detailed cash flow forecasts, particularly those focused on merchant settlements, and close monitoring of cash balances and upcoming payments by currency. We ensure to always have sufficient capital to meet both predictable and unpredictable payment obligations. We have defined rules regarding our liquidity balance and financing, aiming at ensuring risk with minimised whilst maintaining flexibility.

Operation risk

We define Operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. As a technology company, with numerous subsidiary organisations, we recognise the reliance placed on the processes and technology we operate. Therefore, our strategy involves investing in operational systems and automated controls to create and strengthen the control environment for operational risk. This includes our hiring strategy, which is designed to place the right people in the right roles to further build systems and controls.

Compliance risk

We operate in a highly regulated environment, and in order to manage our regulated entities, we have a dedicated team to ensure compliance with Anti-Money Laundering and other legal, regulatory and licensing requirements, including product launches in new countries. As part of our compliance requirements, we perform horizontal scanning exercises and track regulatory reporting activities. We continue to monitor the regulatory landscape and understand the impact of changing regulations to our business model. We strive to meet our regulatory requirements and minimise the financial crime risk in our operations.

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Strategic risk

We are an expanding European business and as a result of the invasion of Ukraine, we observe disruption on a global scale, which could hinder our growth plans. We recognise that this will have an impact on the economic recovery of markets in which we and our subsidiaries operate. Although our subsidiaries have no direct exposure to Russian banks, industries, corporations, companies or individuals, the increased rate of inflation will impact our customer base. We continuously monitor the many and variable macroeconomic risks, resulting merchant behaviours and market dynamics to put into place mitigating measures to prepare for any further volatility.

Emerging risk

Sustainability and climate change

The topic of sustainability and the impact we have on the planet is becoming a greater focus throughout the world. We face risks related to the transition to a lower-carbon economy. This includes changes in technology, operating market risks and how our response to climate change affects our reputation. We are making plans to start an analysis of the impact our business has on the climate to quantifiably identify areas where we can improve our sustainability efforts.

section 172 statement

Under Section 172 of Companies Act 2006, directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In performing their fiduciary duty, the directors of SaltPay have taken into consideration a number of key matters, which are as follows:

- a) the likely consequences of any decision in the long term;
- b) the interests of the Company's employees;
- c) the need to foster the Company's business relationships with suppliers, customers and others;
- d) the impact of the Company's operations on the community and the environment;
- e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the Company.

The directors are collectively responsible for managing the affairs of SaltPay to achieve long-term prosperity by making important decisions, monitoring the underlying performance of the Group, as well as being a means of establishing ethical standards. The directors receive information in a range of different formats to assist them in discharging their responsibilities under Section 172 when making relevant decisions. This information may include, among other things, reports and presentations on financial and operational performance, business updates, budget planning and forecasts, HR and legal matters, as well as specific areas of engagement, such as employee opinion surveys and customer feedback surveys. When making decisions, the directors seek to understand the impact on each of its stakeholders, including the likely consequences of a decision in the long term, whilst acknowledging that a decision will not necessarily be favourable for all stakeholders, as there may be competing interests between them.

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Understanding the interests of key stakeholders is a critical part of the Group's strategy and helps inform the directors' decision making. Details of stakeholders, their priorities, primary methods of direct and indirect engagement and why directors consider engagement important are detailed below.

Our Stakeholders	Why We Focus on Them	Stakeholders' Key Priorities	How We Engage with Them
Customers	<p>Putting our customers first is a key principle underlining our mission as a company.</p> <p>Engagement with our customers helps us align our focus and our priorities with their needs. The needs of the merchants we serve are at the core of our business, and understanding how our actions can help SMEs and their businesses thrive must be central to all decision-making. Our long-term success depends on the strength of our relationships with our customers.</p>	<p>A quality product with excellent service</p> <p>Delivery on our promises and responsibilities</p> <p>Proactiveness in addressing problems and concerns affecting their business</p> <p>Consistent and supportive customer support whatever the market conditions</p> <p>Strong, personal relationships that promote a feeling of trust and of being valued and treated as a priority by our business</p>	<p>The directors interact with customers indirectly via the Group and receive data and customer feedback from Group leadership to inform their decision-making. Examples of engagement with customers:</p> <ul style="list-style-type: none"> - Sales and customer relations teams hold face-to-face interactions and phone conversations on a regular basis, outside of customers reaching out to our support line. - The Group offers a dedicated customer support line to address issues and questions in real time. - The Group closely monitors customer complaints and requests customer feedback through NPS surveys. - In response to customer feedback, the Group has focused on improving the merchant onboarding process and reduced the days to settle with merchants.
Employees	<p>Our employees are essential to our success as a business as we recognise the importance of their contributions in service to our customers.</p> <p>Engagement with employees helps to attract, build and retain a high-calibre talent pool and ensure that our employees remain enthusiastic about their work and their organisation. Regularly listening to employees' feedback ensures they feel valued with their views recognised and acted upon.</p>	<p>Safety and wellbeing in the workplace and beyond</p> <p>High-quality employment opportunities</p> <p>Appropriate rewards and recognition for their contributions</p> <p>Commitment to training and development</p>	<p>Examples of engagement with employees:</p> <ul style="list-style-type: none"> - Company-wide town hall meetings are held weekly, with executive team and directors speaking to all employees and directly answering questions. - Employee stock option plan was implemented during the year to promote direct ownership in the Company.

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Strategic Report

		<p>Transparency and openness</p> <p>A fair, supportive, diverse and inclusive culture where employee feedback is valued</p>	<p>Additionally, the directors interact with employees indirectly via the Group and receive data and employee feedback from Group leadership to inform their decision-making. Examples of indirect engagement with employees:</p> <ul style="list-style-type: none"> - Regular employee engagement surveys are undertaken, and results and action items shared with management. - Training programmes have been put in place to support the development of all employees. - Direct managers are obliged to review compensation of their teams and are empowered, with the support of the HR team, to provide increases.
Suppliers	<p>Having strong and sustainable relationships with our suppliers is important to allow us to deliver on our mission to our customers.</p> <p>Engagement with suppliers helps them to better understand our key policies and procedures and align to our needs and priorities.</p>	<p>Appropriate and clear payment practices</p> <p>Fair and equitable conduct of business</p> <p>Compliance with laws and regulations</p>	<p>The directors interact with suppliers indirectly via the Group and receive data and supplier feedback from Group leadership to inform their decision-making. Examples of engagement with suppliers:</p> <ul style="list-style-type: none"> - Periodic review and consideration of material contracts and ongoing supplier relationship management handled by our procurement team.
Investors	<p>Our shareholders provide funds which aid the growth of our business and are vital to our future success.</p> <p>Engagement with our investors supports their understanding of and contribution to the Company's strategic aims and the Company's risk, governance, compliance and financial priorities as well as ensures delivery of long-term sustainable value for our shareholders.</p>	<p>Strong financial performance</p> <p>Good governance practices</p> <p>Adoption of sustainable business practices</p> <p>Transparency and openness</p>	<p>Examples of engagement with investors:</p> <ul style="list-style-type: none"> - Formal financial results are sent out quarterly, with additional information shared or questions answered upon request. - Significant shareholders have a direct line of communication to directors and meetings are held between directors and significant shareholders.

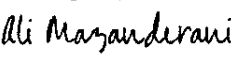
Salt Pay Co Ltd.

Strategic Report

Government and Regulators	<p>Active engagement with governmental authorities and regulators allows us the opportunity to have input on matters relating to our industry.</p> <p>Engaging with the relevant regulators also helps to ensure we stay abreast of the evolving regulatory framework and put in place appropriate measures to comply with laws and regulations.</p> <p>We consider it imperative that we maintain a culture focused on retaining and encouraging high standards of business conduct and regulatory compliance.</p>	<p>Compliance with laws and regulations</p> <p>Ethical operations and practices</p> <p>Provision of high-quality information and regulatory reporting</p> <p>Active consideration of risks and plans to address them</p>	<p>The directors interact with regulators and the government indirectly via the Group and receive data and feedback from Group leadership to inform their decision-making. Examples of engagement with regulators and the government:</p> <ul style="list-style-type: none"> - Regulatory risk and compliance reports are submitted to Icelandic regulatory agency monthly. - In-person meetings between Icelandic regulator and the Group's directors and risk team occur regularly to discuss our business. - Company representatives have participated in discussions with government bodies to lobby and contribute to future regulations affecting the industry in which we operate.
Community and Environment	<p>We are committed to contributing long-term value and making a lasting, positive impact on the society in which we operate.</p>	<p>Job creation and social mobility</p> <p>Socially responsible business practices</p>	<p>Examples of engagement with the community and environment:</p> <ul style="list-style-type: none"> - The Group has created 900 jobs in multiple countries during the past year. - The Group's lobbying activity related to interchange fees and scheme fees aims to create a fairer configuration for the merchants we serve.

approval

This report was approved by the Board of Directors on 6 March 2023 and signed on its behalf by:

DocuSigned by:

 6ADB80255F05471...
 Ali Mazanderani
 Chairman of the Board
 6 March 2023

Salt Pay Co Ltd.

Directors' Report

Dividends

The Company has not distributed dividends until the present date, and it is not planning to do so in the short run. There is no dividend proposed with regards to the 2021 results.

Capital structure

The authorised capital of the Company consists of:

- (a) **Voting Shares:** 6,000,000 Voting Ordinary Shares, par value US\$0.01 per share (the "Voting Shares"), of which 2,200,045 are issued and outstanding.
- (b) **Non-Voting Shares:** 4,000,000 Non-Voting Ordinary Shares, par value US\$0.01 per share (the "Non-Voting Shares"), of which 1,914,414 are issued and outstanding.

SPG Holdings Ltd. is the holder of 99.99% of the Voting Shares. There is no other difference between share classes, except as for the voting right.

Directors

The directors, who served throughout the year except as noted, were as follows:

Ali Mazanderani – Chairman, serving the Board since 21 October 2020

Eduardo Cunha Monnerat Solon de Pontes – serving the Board since 15 July 2019

Daniela Mastrococco – served the Board from 15 July 2019 to 27 September 2021

Andre Street de Aguiar – serving the Board since 27 September 2021

Thomas Alan Patterson – serving the Board since 27 September 2021

Mateus Scherer Schwening – serving the Board since 27 September 2021

Roberto Thompson – serving the Board since 27 September 2021

Relationship agreement with controlling shareholder/s

On 20 December 2020, the Company entered into a Service Agreement with Gênova Consultoria e Participações Ltda., an entity controlled by Mr. André Street de Aguiar and Mr. Eduardo Cunha Monnerat Solon de Pontes, both directors and ultimate beneficial owners, for certain consulting and management services. The agreement has an initial term of three years with termination in December 2023. Additional details surrounding payments under this agreement can be found in note 40.

Going concern

The Group's loss attributable to the owners of the Company for the financial year amounted to €94.1 million. The Group had net assets of €1,170.4 million at year end, including a cash balance of €524.2 million. In assessing whether to adopt the going concern basis of accounting, management has considered whether there are any material uncertainties surrounding the Company's or the Group's ability to continue operating over a period of at least twelve months from the date of this report.

Management has prepared detailed forecasts which have been approved by the Board. Appropriate assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook over 2022 and beyond. Appropriate sensitivities have been applied in order to stress

Salt Pay Co Ltd.

Directors' Report

test the model, considering situations in which future costs are substantially higher than forecasted and future trading is less than forecasted. Management has also considered available undrawn cash facilities or future investment opportunities, which are not included in the forecasts utilised as management does not currently anticipate requiring additional investment over the forecast period.

Management noted that geopolitical uncertainty has resulted from Russia's invasion of Ukraine in February 2022 and the resulting Russia-Ukraine war. Such uncertainty may cause a broader impact on supply chains, financial markets, and macroeconomic conditions worldwide, but management has concluded that this global impact does not raise substantial doubt about the Group's ability to continue as a going concern. Management has come to this conclusion based on the fact that the Group does not have significant presence in Russia or Ukraine or neighbouring countries, does not rely on business operations in the area, does not operate in Russian or Ukrainian currency, has no reliance on Russian or Ukrainian banking systems or capital markets which may be subject to disruption or sanctions, and has no dependence on suppliers or operations in regions affected by the war.

Based on this assessment, the directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet its liabilities and obligations as they fall due over the forecast period, and accordingly are satisfied that the adoption of the going concern basis of preparation is appropriate.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with the applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and as adopted by the United and applicable law. Under Company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's

Salt Pay Co Ltd.

Directors' Report

- auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.


Approval

This report was approved by the Board of Directors on 6 March 2023 and signed on its behalf by:

Registered Office:

Salt Pay Co Ltd.
Intertrust Corporate Services (Cayman) Limited
One Nexus Way
Camana Bay, Grand Cayman
KY1-9005 Cayman Islands

By order of the Board,

DocuSigned by:

8ADB80255F05471...
Ali Mazanderani
Chairman of the Board
6 March 2023

Salt Pay Co Ltd.

Auditor's Report

Independent auditor's report to the members of Salt Pay Co Ltd.

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Salt Pay Co Ltd. (the 'Parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Cayman Islands Companies Act and United Kingdom Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Profit or Loss;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows;
- the related notes 1 to 41;
- the Parent Company Statement of Financial Position;
- the Parent Company Statement of Changes in Equity;
- the Parent Company Statement of Cash Flows; and
- the related notes S1 – S8.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and

Salt Pay Co Ltd.

Auditor's Report

Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Salt Pay Co Ltd.

Auditor's Report

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included Cayman Islands Companies Act, UK Companies Act 2006, pensions legislation, tax legislation, The Financial Conduct Authority ("FCA") legislation, additional requirements, as applicable, in the Icelandic Act on Annual Accounts, Act on Financial Undertakings, and rules on accounting for credit institutions; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions, IT, forensic and industry specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with regulators and relevant tax authorities.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the directors' report.

Salt Pay Co Ltd.

Auditor's Report

Matters on which we are required to report by exception

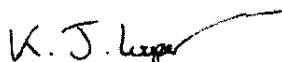
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kieren Cooper FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
6th March 2023

Salt Pay Co Ltd.**Consolidated Statement of Profit or Loss**

For the year ended 31 December 2021

	Notes	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Net revenue from transaction activities and other services	5	25,786	10,681
Net revenue from card issuance and associated fees	5	18,231	3,011
Net revenue from subscription services and equipment rental	5	18,336	2,963
Hardware sales	5	2,423	46
Financial income	5/9	5,355	2,260
Other income	5	4,308	1,150
Total revenue and income		74,439	20,111
Cost of sales		32,409	7,884
Gross profit		42,030	12,227
Administrative expenses		103,390	24,198
Selling expenses		11,237	2,174
Impairment losses on inventories	10	398	-
Impairment losses on financial assets	10	1,248	204
Other operating expenses, net		3,837	221
Operating loss		(78,080)	(14,570)
Financial expenses/(income), net	13	1,360	(3,325)
Impairment losses on goodwill	10	7,478	-
Losses from sale of assets	11	8,524	253
Other losses/(gains)	12	807	(550)
Other losses from equity method	19	120	-
Impairment losses on asset held for sale	10	459	-
Loss before income taxes		(96,828)	(10,948)
Income tax	14	(1,650)	(1,080)
Loss for the year		(95,178)	(9,868)
Net deficit for the year attributable to:			
Owners of the Company		(94,094)	(9,369)
Non-controlling interests		(1,084)	(499)
		(95,178)	(9,868)

Loss for the year after tax is derived from continuing operations.

The notes on p. 29 to 108 form part of these financial statements.

Salt Pay Co Ltd.**Consolidated Statement of Comprehensive Income**

For the year ended 31 December 2021

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Loss for the year	(95,178)	(9,868)
Items that will not be reclassified subsequently to profit or loss:		
Foreign exchange differences on translation of foreign operations	20,079	(5,143)
	<u>20,079</u>	<u>(5,143)</u>
Items that may be reclassified subsequently to profit or loss:		
<u>Fair value gain/(loss) arising on hedging instruments during the period</u>	-	-
Less: Cumulative (gain)/loss arising on hedging instruments reclassified to profit or loss	18	-
	<u>18</u>	<u>-</u>
Other comprehensive income/(loss) for the year, net of income tax	20,097	(5,143)
Total comprehensive loss for the year	(75,081)	(15,011)
Total comprehensive loss attributable to:		
Owners of the Company	(73,997)	(14,512)
Non-controlling interests	(1,084)	(499)
	<u>(75,081)</u>	<u>(15,011)</u>

Loss for the year after tax is derived from continuing operations.

The notes on p. 29 to 108 form part of these financial statements.

Salt Pay Co Ltd.**Consolidated Statement of Financial Position**

For the year ended 31 December 2021

	Notes	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Non-current assets			
Goodwill	15	544,111	46,232
Other intangible assets	16	11,471	2,755
Internally generated intangible assets	16	89,805	4,448
Property, plant and equipment	17	10,379	8,860
Right-of-use assets	22	10,436	1,377
Investments in associates	19	7,649	-
Investments in financial assets	20	2,772	23,358
Loans receivable from related parties	40	0	6,447
Deferred tax asset	27	7,308	5,371
Total non-current assets		683,931	98,848
Current assets			
Inventories	21	23,655	1,315
Investments in financial assets	20	17,681	6,646
Loans and advance to customers	23	13,563	24,970
Trade and other receivables	24	47,704	25,373
Cash and bank balances	25	524,200	142,150
Total current assets		626,803	200,454
Assets classified as held for sale	35	3,723	-
		3,723	-
Total assets		1,314,457	299,302
Current liabilities			
Trade and other payables	28	81,970	94,133
Current tax liabilities		286	70
Lease liabilities	22	4,726	321
Borrowings	26	11,564	730
Other financial liabilities	28	7,755	11,682
Provisions	29	88	-
Deferred income - government grants		4	-
Refund liability		1	-
Total current liabilities		106,394	106,936
Net current assets		520,409	93,518
Non-current liabilities			
Borrowings	26	613	1,028
Deferred tax liabilities	27	22,090	913
Lease liabilities	22	6,088	992
Other liabilities		8,887	75
Total non-current liabilities		37,678	3,008
Total liabilities		144,072	109,944
Net assets		1,170,385	189,358
Equity			
Share capital	30	1,315,098	178,183
Share-based compensation reserve	31	10,688	121
Minority interest		1,596	11,251
Other reserves	34	(68,272)	14,513
Retained earnings	32	(9,567)	(198)
Current year earnings		(94,094)	(9,369)
Translation difference		14,936	(5,143)
Total equity		1,170,385	189,358
Equity attributable to owners of the Company		1,168,789	178,107
Non-controlling interests		1,596	11,251


The notes on p. 29 to 108 form part of these financial statements.

Salt Pay Co Ltd.

Consolidated Statement of Financial Position

For the year ended 31 December 2021

The financial statements were approved by the Board of Directors and authorised for issue on 6 March 2023. They were signed on its behalf by:

DocuSigned by:

6ADB80255F05471...
Ali Mazanderani
Chairman of the Board
6 March 2023

Salt Pay Co Ltd.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

	Equity attributable to equity holders of the parent							Non-controlling interest	Total equity
	Share capital	Cash flow hedging reserve	Other reserves	Translation difference	Share-based compensation reserve	Retained earnings	Attributable to owners of the parent		
	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's
Balance at 1 January 2020	-	-	-	-	-	(198)	(198)	-	(198)
Loss for the year	-	-	-	-	-	(9,369)	(9,369)	(499)	(9,868)
Other comprehensive loss for the year	-	-	-	-	(5,143)	-	(5,143)	-	(5,143)
Total comprehensive loss for the year	-	-	-	-	(5,143)	-	(5,143)	(499)	(15,011)
Issue of share capital	178,183	-	-	-	-	19,369	(14,512)	-	178,183
Acquisition of subsidiaries	-	-	14,513	-	-	-	178,183	-	178,183
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	14,513	11,750	26,263
Balance at 31 December 2020	178,183	-	14,513	(5,143)	121	(9,567)	178,107	11,251	189,358
Acquisition of subsidiaries	-	(18)	-	-	-	-	(18)	-	(18)
Loss for the year	-	-	-	-	-	(94,094)	(94,094)	(1,084)	(95,178)
Other comprehensive loss for the year	-	18	-	20,079	-	-	20,097	-	20,097
Total comprehensive loss for the year	-	18	-	20,079	-	(94,094)	(73,997)	(1,084)	(75,081)
Issue of share capital	1,136,916	-	-	-	-	-	1,136,916	-	1,136,916
Acquisition of subsidiaries	-	-	(82,786)	-	-	-	(82,786)	(8,571)	(91,357)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	-	10,567	-	10,567
Balance at 31 December 2021	1,315,098	-	(68,272)	14,936	10,688	(103,661)	1,168,789	1,596	1,170,385

Share capital includes all the ordinary shares.

The notes on p. 29 to 108 form part of these financial statements.

Salt Pay Co Ltd.**Consolidated Statement of Cash Flows**

For the year ended 31 December 2021

	Notes	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Loss for the year		(95,178)	(9,868)
Adjustments for:			
Share of profit of associates		120	-
Finance income		(152)	(3,957)
Other gains and losses		9,197	(10)
Finance costs		537	129
Income tax expense	14	(1,650)	(2,029)
Depreciation of property, plant and equipment	17	2,481	882
Depreciation of right-of-use assets	22	1,594	115
Impairment losses, net of reversals, on financial assets		1,646	204
Amortisation of intangible assets	16	11,619	762
Impairment of goodwill	15	7,478	-
Share-based payment expense	31	10,567	121
Gain/loss on disposal of property, plant and equipment		76	3
Gain/loss on disposal of ROU		(9)	-
Impairment losses, net of reversals, on assets held for sale		459	-
Operating cash flows before movements in working capital		(51,215)	(13,648)
Decrease/(increase) in inventories		(21,804)	262
Decrease/(increase) in trade and other receivables		5,388	19,652
Increase/(decrease) in trade and other payables		(35,860)	(9,500)
Increase/(decrease) in contract liabilities		(4,071)	-
Increase/(decrease) in refund liability		1	-
Increase/(decrease) in deferred income		2	-
Decrease/(increase) in deferred tax		657	-
Cash absorbed by operations		(106,902)	(3,234)
Income taxes paid		(1,228)	1,466
Net cash used in operating activities		(108,130)	(1,768)
Interest received		152	3,715
Proceeds on disposal of equity instruments held at FVTOCI		-	5,370
Proceeds on disposal of property, plant and equipment		189	120
Proceeds on disposal of ROU		9	-
Proceeds on financial investments	20	3,817	-
Purchases of property, plant and equipment		(3,613)	(5,585)
Purchases of intangibles		-	(8)
Acquisition of investment in an associate		(7,794)	-
Purchases of financial investments		(1,741)	(13,158)
Purchases of equity instruments designated at FVTOCI		(11,384)	(11,407)
Additions from internal development		(3,379)	(433)
Purchases of patents and trademarks		(1)	-
Acquisition of subsidiaries, net of cash acquired		(322,336)	(57,289)
Loans with the ultimate parent company		6,607	(8,111)
Net cash used in investing activities		(339,474)	(86,766)
Interest paid		(470)	(131)
Transaction costs related to loans and borrowings		(4)	-
Repayments of loans and borrowings		(8,782)	(2,854)
Proceeds from loans and borrowings		17,712	(527)
Repayment of lease liabilities		(1,976)	(99)
Proceeds on issue of shares		798,480	191,615
Net cash from financing activities		804,960	188,004
Net increase in cash and cash equivalents		357,358	99,470
Cash and cash equivalents at beginning of year		142,150	57,104
Effect of foreign exchange rate changes		24,694	(14,425)
Cash and cash equivalents at end of year	25	524,200	142,150

EUR 0.5 million (2020: 0.6 million) of the cash and cash equivalents balance relates to restricted cash. Further details are provided in note 25.

The notes on p. 29 to 108 form part of these financial statements.

Salt Pay Co Ltd.

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1. General information

Salt Pay Co Ltd. (the "Company" or the "Parent Company") is a private company incorporated as an Exempted Company in the Cayman Islands on 15 July 2019. The address of the Company's registered office is Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

The accounting policies adopted for the Parent Company are otherwise consistent with those used for the Group which are set out in note 3. Accounting policies specific to the Parent Company are set out in note S1.

These financial statements are presented in Euros ("EUR"), which is the currency of the primary economic environment in which the Group operates, and are rounded to the nearest thousand EUR. Foreign operations are included in accordance with the policies set out in note 3.

2. Adoption of new and revised Standards

Initial adoption of accounting standards

The Group has adopted the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and as adopted by the United Kingdom as the standards under which it prepares its financial statements. These statements have been prepared in compliance with all IFRS requirements and in compliance with the Companies Act 2006 of the United Kingdom and with all laws and legislations of the Cayman Islands.

New and amended IFRS Standards that are effective for the current year

All of the following IFRS standards and amendments were considered and utilised in the preparation of these accounts. As this is the first year of accounts prepared by the Group, no amendments or retrospective application of new standards has been considered.

Impact of the initial application of Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS 7

In September 2019, the IASB issued *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The Group does not have hedge accounting nor a hedge relationship that is subject to IBOR reform.

Impact of the initial application of COVID-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued *COVID-19-Related Rent Concessions (Amendment to IFRS 16)* that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

Impact of the initial application of other new and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1

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For the year ended 31 December 2021

January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards

The Group has adopted the amendments included in *Amendments to References to the Conceptual Framework in IFRS Standards* for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Amendments to IFRS 3 Definition of a business

The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

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The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet:

IFRS 17	<i>Insurance Contracts</i>
IFRS 10 and IAS 28 (amendments)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IFRS 3	<i>Reference to the Conceptual Framework</i>
Amendments to IAS 16	<i>Property, Plant and Equipment—Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts – Cost of Fulfilling a Contract</i>
Annual Improvements to IFRS Standards 2018-2020 Cycle	<i>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture</i>

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

3. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and as adopted by the United Kingdom. The financial statements have been prepared in accordance with IFRS as issued by the IASB.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The Group is disclosing the 2021 audit financial statements and the 2020 comparative non-audited financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out below.

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Going concern

These financial statements have been prepared on a going concern basis. In preparing the financial statements the directors have taken into account all information that could reasonably be expected to be available for the following twelve months from the date of signing the financial statements and beyond.

The Group's loss attributable to the owners of the Company for the year ended 31 December 2021 amounted to EUR 94.1 million (2020: EUR 9.4 million). The Group had net assets of EUR 1,170.4 million at 31 December 2021 (2020: EUR 189.4 million), including a cash balance of EUR 524.2 million (2020: EUR 142.2 million). In assessing whether to adopt the going concern basis of accounting, the directors have considered whether there are any material uncertainties surrounding the Company's or the Group's ability to continue operating over a period of at least twelve months from the date of this report.

Group management has prepared detailed forecasts which have been approved by the Board of Directors. Appropriate assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook over 2022 and beyond. Appropriate sensitivities have been applied in order to stress test the model, considering situations in which future costs are substantially higher than forecasted and future trading is less than forecasted. The directors have also considered available undrawn cash facilities or future investment opportunities, which are not included in the forecasts utilised for assessing going concern as the Group is not anticipated to require additional investment over the forecast period.

The directors noted that geopolitical uncertainty has resulted from Russia's invasion of Ukraine in February 2022 and the resulting Russia-Ukraine war. Such uncertainty may cause a broader impact on supply chains, financial markets, and macroeconomic conditions worldwide, but Group management and the directors have concluded that this global impact does not raise substantial doubt about the Group's ability to continue as a going concern. The directors have reached this conclusion based on the fact that the Group does not have significant presence in Russia or Ukraine or neighbouring countries, does not rely on business operations in the area, does not operate in Russian or Ukrainian currency, has no reliance on Russian or Ukrainian banking systems or capital markets which may be subject to disruption or sanctions, and has no dependence on suppliers or operations in regions affected by the war.

Based on this assessment, the directors have a reasonable expectation that the Company and the Group will be able to continue in operation and meet its liabilities and obligations as they fall due over the forecast period, and accordingly are satisfied that the adoption of the going concern basis of preparation is appropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- the Company's involvement in day-to-day operations, including the right to drive business decisions such as developing new products or processes, setting prices, establishing budgets, acquiring and disposing of assets, determining funding structure or obtaining funding for the investee and hiring or terminating key management personnel;
- signature and execution date of acquisition-related documents in conjunction with the requirements for completion of the contract to occur and the dates at which such requirements took place, in the event control over an investee is obtained via an acquisition;
- rights arising from other contractual arrangements; and
- approvals of the Company as controller of the investee by regulatory bodies, where necessary.

When the Company does not hold majority ownership over an investee and does not exercise control over the investee on its own but does do so in combination with its controlling shareholder, this represents a business combination under common control for the Company. When common control exists, the Company evaluates the power it and its controlling shareholder exercise over the investee together.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Company loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for

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as if the Company had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree, or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are

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reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. None of the Company's investments in associates are classified as held for sale at 31 December 2021 or 2020.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less

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costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

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When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, for which the risk of changes in value is insignificant.

There was no change in policy for determining components of cash and cash equivalents that might materially impact the financial statements.

All cash and cash equivalents held and accounted in the statement of financial position is available for use by the Group.

Description of principal line items

The following is a summary of the principal line items comprising the Group's consolidated statement of profit or loss and other comprehensive income.

Total revenue and income

Total revenue and income consists of the sum of net revenue from transaction activities and other services, net revenue from card issuance and associated fees, net revenue from subscription services and equipment rental, hardware sales, financial income and other financial income.

Revenue recognition

The Group recognises revenue from the following major sources:

- acquiring;
- issuing;

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- lending;
- hardware rentals; and
- software subscriptions.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Net revenue from transaction activities and other services

Net revenue from transaction activities and other services consists of commissions and fees charged for end-to-end processing services the Group provides, including the capture, routing, transmission, authorisation, processing and settlement of transactions, carried out using credit and debit cards. This revenue consists mainly of net merchant service charges ("MSC"), which is a commission withheld by the Group that is discounted from the transaction values paid to the merchant and/or other per-transaction commissions for providing gateway services. The Group also recognises revenues from transactional services related to our acquiring operation. The Group recognises revenue from transaction activities when the purchase transaction is captured and recognises revenue from other services when the service is rendered. For more information on revenue recognition policies, see the 'Revenue recognition' policy within note 3. Licence fees paid to payment schemes are included in the costs of services discussed below.

Net MSC revenue is recognised net of interchange fees retained by card issuers and assessment fees charged by payment schemes ("scheme fees"). In the event of a chargeback, the net revenues associated with such transactions are deducted from net revenue from transaction activities and other services. Fees and losses from chargebacks resulting from billing disputes are included in the cost of sales discussed below.

Revenue from subscription services and equipment rental

The Group earns monthly recurring revenue from subscription services and equipment rental, which includes rentals of electronic capture equipment and other solutions or services, such as reconciliation services, business automation and software solutions, among other services. Revenue generated by electronic capture equipment rental varies according to the value of the equipment, the quantity of equipment rented to a particular merchant and the location of the merchant. Each subscription service fee is charged as a fixed monthly fee and is billed and deducted from the merchant's transactions receivable. The Group recognises revenue from subscription services as the services are rendered and from equipment rental on a straight-line basis of the contractual lease term.

Financial income

Financial income is generated by the Group's working capital and credit solutions and consists of the fees charged for the prepayment of clients' receivables from credit card transactions and from credit operations. In addition, it also includes yield on liquid securities on which the Group invests cash from client deposits.

Some merchants allow cardholders to elect to pay for purchases in multiple instalments. The Group allows our merchants to elect early payment of single or multiple instalment receivables, less a prepayment fee.

The prepayment fee is recognised as financial income once the merchant elects for the receivable to be prepaid. If the merchant elects prepayment of a receivable on a weekend or bank holiday, the prepayment fee will be recognised in financial income on the next business day when the merchant receivable is paid. The expenses incurred in funding the prepayment of receivables and credit operations are included in financial expenses.

Other financial income

Other financial income consists principally of interest generated by funds held in interest-bearing bank accounts or in bonds and by deposits the Group is required to make by regulators.

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Cost of sales

Cost of sales includes transaction costs, depreciation and amortisation, costs to deploy merchant equipment, personnel expenses related to customer service, technology, operations, logistics and other, revenue and income consists of the sum of net revenue from transaction activities and other non-compliance fees charged by payment processors, chargeback fees imposed by financial institutions due to customer disputes and processing and other fees.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

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The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy within note 3.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'other operating expenses' in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Foreign currencies

The individual financial statements of each Group subsidiary are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group subsidiary are expressed in EUR, which is the functional currency of the Group, and the presentation currency for the consolidated financial statements. When a Group subsidiary's financial statements are presented in conjunction with or alongside the consolidated Group financial statements, all statements may be expressed in the Group's presentation currency of EUR.

In preparing the financial statements of the Group subsidiaries, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

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- exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and is not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

Government grants

Government grants are not recognised until there is reasonable probability that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Operating loss

Operating loss is stated after charging restructuring costs and after the share of results of associates, which are considered to form part of the Group's core operations, but before finance income and finance costs.

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Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Properties during construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees

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and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss.

The cost of plant and machinery and fixtures and fittings is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognised as interest over the period of credit unless such interest is defined in accordance with IAS 23.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	2 per cent – 25 per cent per annum
Plant and machinery	5 per cent – 16 per cent per annum
Fixtures and fittings	20 per cent – 33 per cent per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the assets' estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The Group does not currently have any intangible assets with indefinite useful lives. Useful lives of the Group's intangible assets are as follows.

Capitalised development costs	11 per cent per annum
Patents and trademarks	27 per cent per annum
Brand	20 per cent – 33.33 per cent per annum
Customer relationships	10 per cent – 33.33 per cent per annum
Software	20 per cent – 33.33 per cent per annum

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

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An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The Group has recognised expenditure on development activities as an expense in the period in which it is incurred in many instances due to an inability to reliably measure the expenditure attributable to the intangible asset during its development.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

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Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'finance income' line item (note 9).

(ii) Debt instruments classified as at FVTOCI

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The corporate bonds held by the Group are classified as at FVTOCI. Fair value is determined in the manner described in note 39. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income – other' line item (note 9) in profit or loss when they occur. No dividends have been recognised in profit or loss for the years ended 31 December 2021 or 2020.

The Group designated all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition (see note 39).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging

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relationship (see hedge accounting policy). The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item (note 12). Fair value is determined in the manner described in note 39.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item (note 12);
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item (note 12). As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item as part of the fair value gain or loss (note 12); and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses ("ECL") for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative

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information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (1) the financial instrument has a low risk of default;
- (2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

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The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event (see (ii) above);
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected

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loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the statement of financial position.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

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Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with the principles of IFRS 15.

Share-based payments

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 37.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

SAYE share options granted to employees are treated as cancelled when employees cease to contribute to the plan. This results in accelerated recognition of the expenses that would have arisen over the remainder of the original vesting period.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

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Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Control over Yoyo group

Pepper Payment 1 Ltd., Pepper Payment Ltd. and Yoyo Wallet Ltd. (collectively, "the Yoyo group") are subsidiaries of the Group even though the Group has only a 1.33 per cent ownership interest and 1.33 per cent of the voting rights in the Yoyo group. The Group has held its 1.33 per cent ownership since September 2020 and another 82 per cent of the ownership interests are held by SPG Holdings Ltd., who is the controlling shareholder of the Group.

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The directors of the Group assessed whether or not the Group has control over the Yoyo group based on whether the Group has the practical ability to direct the relevant activities of the Yoyo group unilaterally. In making their judgement, the directors considered that SPG Holdings Ltd. has an obligation to transfer its ownership in the Yoyo group to the Group. SPG Holdings Ltd. is the majority shareholder of the Group and has entered into agreements whereby it agreed to the ownership transfer. The actual transfer was delayed for regulatory approvals to be completed. In the meantime, the Group has directed the activities of the Yoyo group from the date at which SPG Holdings Ltd. assumed majority control. After assessment, the directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of the Yoyo group and therefore the Group has control over the Yoyo group.

Since the initial acquisition of the Yoyo group, the Group structure has been further changed so that Yoyo Wallet Ltd. wholly owns another four subsidiaries of the Group: Yoyo Services (Pty) Limited, Yoyo S.A. (Pty) Limited, Yoyo International Limited and Yoyo International B.V. At 31 December 2021, these four Group subsidiaries are also part of the Yoyo group and impacted by the control assessment performed above.

If the directors had concluded that the Group's ownership interest was insufficient to give the Group control, the Yoyo group would instead have been classified as an associate and the Group would have accounted for it using the equity method of accounting until 31 December 2021 when the Group acquired 100 per cent of the voting rights in the Yoyo group and took control of the Yoyo group via ownership interest.

Judgement in identifying whether a contract includes a lease

The Group has entered into contracts with numerous customers to supply a hardware terminal for a set period of time. This rental is a monthly flat rate for unlimited use of the terminal which is onsite at the customer's location. The contract does not identify a specific asset transferred to the customer, and the Group may substitute the original asset for an alternative one at its discretion.

The directors of the Group assessed whether or not the Group has entered into a lease under IFRS 16. Due to the substantive substitution right maintained by the Group, the directors concluded that the contracts do not contain a lease.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Initial measurement of goodwill and intangible assets in business combinations

The valuation of assets acquired in a business combination require the use of significant estimates and assumptions. The acquisition method of accounting for business combinations requires the Group to estimate the fair value of assets acquired, liabilities assumed, and any noncontrolling interest in an acquired business to properly allocate purchase price consideration between assets that are depreciated or amortised and goodwill. Estimates are based upon assumptions that Group management believes to be reasonable, but which are inherently uncertain and unpredictable. These valuations require the use of management's assumptions, which do not reflect unanticipated events and circumstances that may occur.

Impairment analyses of goodwill and intangible assets

Impairment analyses require the determination of the fair value and / or the value in use of the respective assets. This process requires a high number of assumptions, namely the estimation of future cash flows associated to the assets in each cash-generating unit, and the determination of an appropriate discount rate to compute the present value of those cash flows. Therefore, once again, the Group established as a requirement the usage of as much observable market data as possible. Furthermore, the Group

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also established monitoring mechanisms over the calculations based on the critical challenge of the assumptions used, on its coherence and consistency (in similar situations). The information regarding the most relevant assumptions used in the impairment analyses is disclosed in note 15.

Taxation provisions

The Group's current tax provision relates to management's assessment of the amount of tax payable on open tax positions where the liabilities remain to be agreed with the tax authorities of the jurisdictions in which the Group operates. Uncertain tax items for which a provision is made relate principally to the interpretation of tax legislation regarding arrangements entered into by the Group. Key assumptions are that the Group's interpretation of transfer pricing legislation will not be challenged in all jurisdictions in which the Group operates. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. Whilst a range of outcomes is possible, the Group considers this possibility to be unlikely.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Board of Directors of the Company has set up a valuation committee, which is headed up by the Chief Financial Officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages qualified valuers to perform the valuation. The valuation committee works closely with the qualified valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the valuation committee's findings to the Board of Directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

The valuations of private equity investments, contingent consideration in business combinations and non-derivative financial assets held for trading are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. The key assumptions utilised vary between different investments but typically include budgets and forecasts, terminal value growth rates, inflation, the impact of local economic factors and the appropriate discount rate to apply. Discount rates are derived and evaluated using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in note 39.

The share-based payments issued by the Group are subject to fair value measurements. There is a level of estimation uncertainty involved in the determine of the fair value of share-based payments due to the reliance on inputs which cannot be reliably measured based on observable market data. The Group uses the Black-Scholes model to value stock options. Assumptions utilised in the Black-Scholes model include

- the exercise price of the option;
- the fair market value of the stock;
- the expected term of the option;
- the expected volatility of the stock;
- the expected dividend yield; and
- the risk-free interest rate.

The exercise price of the option is stated on the equity award. The fair market value of the stock has been determined on the basis of the current market price for the shares, as determined by private equity sales to external investors conducted at arm's length. The expected term of the option has been calculated as the midpoint between the requisite service period and contractual term of the award. The expected volatility of the stock was estimated based on public peer company data due to the limited

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history data surrounding of the Group's stock price available. In the Group's judgement, the historical data is insufficient to be indicative of future expectations. The expected dividend yield is assumed to be 0 as the Group has no plans to pay dividends over the life of the outstanding options. The risk-free interest rate is determined based on Treasury Constant Maturities Rates provided by the United States Federal Reserve. In the event that an option grant's expected term does not match an available interest rate period, a weighted calculation using a compounded floor and ceiling rate (compounded to account for the semiannual coupon) is utilised. The floor and ceiling rates are determined by the two interest rate periods that are closest to the expected term value. Further information on share-based payments and the inputs to the Black-Scholes model are provided in note 37.

Control of subsidiaries and significant influence over associates

The Group assesses its investments in other entities to determine whether it exercises control over each investee. Factors considered include the Group's ownership in the investee, its voting rights, its ability to appoint directors and key management and its exposure to the investee's returns. When the Group exercises control over an investee, it is classified as a subsidiary and included in the Group's consolidated financial statements. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

When the Group does not exercise control over an investee on its own but does so in combination with its controlling shareholder, SPG Holdings Ltd., this represents a business combination under common control for the Group. When common control exists, the Group evaluates the power it and its controlling shareholder exercise over the investee together. The Group currently has seven subsidiaries which form one subsidiary group (the Yoyo group) which it controls via common control. A change in the assessment of common control over Yoyo group would decrease the Group's total revenue and income for the year ended 31 December 2021 by EUR 10.0 million, decrease the Group's loss for the year by EUR 6 million and decrease the Group's net assets by EUR 36.1 million. A change in the assessment of common control over Yoyo group would decrease the Group's total revenue and income for the year ended 31 December 2020 by EUR 2.5 million, decrease the Group's loss for the year by EUR 0.8 million and decrease the Group's net assets by EUR 32.8 million.

When the Group does not exercise control over an investee, whether on its own or via common control, the Group assesses whether it exercises significant influence over the investee instead. In assessing this, the Group considers ownership percentage and voting power of less than a majority but greater than 20 per cent, representation on the investee's board of directors and participation in policy-making processes. When the Group does not exercise control but does exercise significant influence over an investee, it is classified as an associate. The Group currently has three investees classified as associates. A change in the assessment of significant influence over one or more of the Group's associates would have up to a EUR 7.6 million offsetting impact on investments in associates and non-current investments in financial assets at 31 December 2021 and would have no impact at 31 December 2020.

When the Group does not exercise control or significant influence over an investee, it is classified as a financial asset. In determining that neither control nor significant influence exist, the Group considers ownership percentage and voting power of less than 20 per cent, the split of the remaining ownership and voting power among other shareholders and involvement in managing day-to-day operations. The Group currently has one investee classified as a financial asset. A change in the assessment of significant influence over this financial asset would have a EUR 2.7 million offsetting impact on non-current investments in financial assets and investments in associates at 31 December 2021 and would have no impact at 31 December 2020.

Revenue recognition

Revenue is recognised when the Group transfers control of services to its customers, in an amount that reflects the consideration it expects to collect in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services

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before transferring them to the client. The Group has applied the following five steps in determining the timing and amount of revenue recognition: (i) identification of the contract with a client, (ii) identification of the performance obligations in the contract, (iii) determination of the transaction price, (iv) allocation of the transaction price to the performance obligations in the contract and (v) recognition of revenue when or as the entity satisfies a performance obligation.

The Group recognises revenue from transaction activities net of interchange fees retained by card issuers and assessment fees charged by payment schemes since the Group has concluded that it is an agent in the authorisation, processing and settlement of payment transactions as it does not bear the significant risks and rewards of those services, given that: (i) the Group is not the primary entity responsible for the authorisation, processing and settlement services performed by the payment scheme networks and card issuers; (ii) the Group has no latitude to establish the assessment and interchange fees; (iii) the Group does not collect the interchange fee and the assessment fee is collected on behalf of the clients and (iv) the Group does not bear the credit risk of the cardholder.

The recognition of revenue from equipment rental includes the preparation of estimates to determine the expected life of merchants, with the objective to recognise revenue on a straight-line basis and as a fixed monthly fee. The estimates are related to the average time that the merchant will process the transactions with the Group.

Deferred income tax and social contribution

Deferred income tax and social contribution is recognised, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are presented net in the statement of financial position when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes. Deferred tax assets are recognised only to the extent it is probable that future taxable profit will be available against which the temporary differences and/or tax losses can be utilised. Significant judgement from management is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax planning strategies.

5. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

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Disaggregation of revenue

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
<u>By Product Line</u>		
Transaction activities	37,010	11,535
Card issuance	9,354	3,011
Subscription services	10,862	1,203
Equipment rental	4,679	1,154
Hardware sales	4,211	47
Other services	6,448	2,339
Financial income	1,462	31
Other income	413	791
Total	74,439	20,111
<u>By Timing of Revenue</u>		
Goods transferred at a point in time	1,587	35
Goods transferred over time	28,150	13,668
Services transferred at a point in time	11,824	(3,022)
Services transferred over time	32,878	9,430
Total	74,439	20,111
<u>By Geographic Location</u>		
United Kingdom	6,261	940
European Economic Area	52,788	17,332
Africa	13,025	1,839
Other	2,365	-
Total	74,439	20,111

Revenue growth from 2020 to 2021 has arisen from the increase in the Group's business activities, both expansion of the customer base in existing markets and entry into new markets, combined with acquisitions of subsidiaries completed during the year whose revenue has been incorporated into the Group's consolidated figures starting from the date the Group assumed control of the subsidiary.

6. Profit before taxation

Profit before taxation is stated after charging:

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Net foreign exchange losses (note 13)	246	3,463
Depreciation of property, plant and equipment (note 17)	2,481	880
Depreciation of right-of-use assets (note 22)	1,594	115
Employee benefit expense (note 8)	2,801	1,285
Loss allowance on trade receivables (note 24)	2,087	512

Employee benefit expense includes other pension costs and other benefits.

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7. Auditors' remuneration

The analysis of the auditors' remuneration is as follows:

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	677	-
Fees payable to the Company's auditor and their associates for other services to the Group		
Audit of Group subsidiaries	752	-
Total audit fees	1,429	-
Taxation compliance services	15	-
Total non-audit fees	15	-

Auditors' remuneration in the chart above represents fees paid to Deloitte and Deloitte's associates.

In 2020, the Company did not perform an audit on its individual accounts nor on consolidated Group accounts. Group subsidiaries did engage in statutory audits where necessary in 2020 and paid a total of EUR 202k to auditors other than Deloitte during the year ended 31 December 2020.

The increase in audit-related expense from 2020 to 2021 is driven by the audit of the Company, the increase in the number of subsidiaries in the Group and the overall increased scope of audit.

8. Staff costs

	FY 2021	FY 2020
Average number of employees, including directors	801	581

Their aggregate remuneration comprised:

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Wages and salaries	39,218	12,567
Share-based compensation	10,567	121
Social security costs and National Contributions	4,785	2,012
Other pension costs	1,850	945
Other benefits	951	340
Contractors	9,131	2,754
	66,502	18,737
Capitalised staff costs	(1,489)	(372)
Total compensation expenses	65,013	18,367

Aggregate directors' remuneration

The total amounts for directors' remuneration in accordance with Schedule 5 to the Accounting Regulations were as follows:

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	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Directors' remuneration		
Salaries, fees, bonuses and benefits in kind	523	742
Number of directors included in defined contribution pension plan	1	
Number of directors included in money purchase plans	0	
Details of any advances, credit or guarantees with directors	0	

The highest paid director during the year ended 31 December 2021 received remuneration of EUR 300k. The highest paid director during the year ended 31 December 2020 received remuneration of EUR 742k.

Directors' transactions

The Company issued a loan of US\$235k to one director on 24 November 2020. The loan has a maturity date of 24 months and accrues interest at the London Interbank Offered Rate ("LIBOR"), plus 1% per annum. The loan arrangement allows for repayment to be made lump sum or in instalments until the maturity date at the parties' discretion. There is no penalty for early repayment. The loan principal remains outstanding at 31 December 2021 with a carrying balance of EUR 208k.

9. Finance income

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Interest income	5,355	2,260
Total finance income	5,355	2,260

10. Impairment losses

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Impairment of trade receivables	(1,248)	(204)
Impairment of inventories	(398)	-
Impairment of goodwill	(7,478)	-
Impairment of asset held for sale	(459)	-
Total impairment losses	(9,583)	(204)

Impairment losses have arisen from the operating activities of the following Group subsidiaries. SaltPay Portugal S.A., Poscom s.r.o and Tutuka International DMCC recorded bad debt expense of EUR 0.5 million, EUR 0.2 million, and EUR 0.1 million, respectively, against their trade receivable balance during 2021. The remaining EUR 0.4 million and EUR 0.2 million of impairment of trade receivables during 2021 and 2020, respectively, is split amongst multiple subsidiaries. SaltPay Portugal S.A., Merchant Payment Acquiring Services s.r.o. and Poscom s.r.o. have impaired their inventories balance by a total of EUR 0.4 million during 2021, with no impairment of inventory recorded during 2020.

'Impairment of goodwill' is described in note 15.

Salt Pay Co Ltd.**Notes to the Consolidated Financial Statements**

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'Impairment of assets held for sale' is described in note 35.

11. Losses from sale of assets

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Losses from sale of assets	8,524	253
	<u>8,524</u>	<u>253</u>

The balance of 'Losses from sale of assets' during the year ended 31 December 2021 is mostly due to the Group's loss on the sale of equity instruments arising from the sale of its minority interest in Five Stars Loyalty, Inc. The Group's minority interests are described in note 20.

12. Other gains and losses

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Net gain/(loss) arising on derecognition of financial liabilities measured at amortised cost	(3)	-
Other gains and losses	810	(550)
Total other gains/losses	<u>807</u>	<u>(550)</u>

13. Finance costs

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Interest on bank overdrafts and loans	972	(1)
Interest on convertible loan notes	29	1
Interest on preference shares	232	11
Interest of lease liabilities	194	32
Total interest expense	<u>1,427</u>	<u>44</u>
 Fx changes impact	 (246)	 (3,463)
Other finance costs	179	95
Total finance costs	<u>1,360</u>	<u>(3,325)</u>

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14. Income tax

	31/12/2021	31/12/2020
	EUR 000's	EUR 000's
Corporation income tax:		
Current year	508	61
Adjustments in respect of prior years	-	335
	508	396
Deferred tax:		
Origination and reversal of temporary differences	(1,507)	(88)
Effect of changes in tax rates	(657)	(1,053)
Write-down of previously recognised deferred tax assets	-	(335)
Other	6	-
	(1,650)	(1,080)

The average Group effective tax rate is 1.2% (2020: 9.7%)

Taxation for individual jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the loss before tax as follows:

	31/12/2021	31/12/2020
	EUR 000's	EUR 000's
Loss before tax on continuing operations	(96,828)	(10,948)
Tax at standard corporation tax rate given above	(3,128)	(1,061)
Tax effect of expenses that are not deductible in determining taxable profit	326	14
Tax effect of income not taxable in determining taxable profit	(44)	(22)
Tax effect of utilisation of tax losses not previously recognised	(117)	-
Change in unrecognised deferred tax assets	1,313	(12)
Tax credit for the year	(1,650)	(1,080)

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15. Goodwill

	EUR 000's
Cost	
At 1 January 2020	-
Recognised on acquisition of a subsidiary	46,232
At 31 December 2020	46,232
Recognised on acquisition of a subsidiary	505,357
At 31 December 2021	551,589
	EUR 000's
Accumulated impairment losses	
At 1 January 2020	-
Impairment losses for the year	-
Eliminated on disposal of a subsidiary	-
At 31 December 2020	-
Impairment losses for the year	7,478
Eliminated on disposal of a subsidiary	-
At 31 December 2021	7,478
Carrying amount	
At 31 December 2021	544,111
At 31 December 2020	46,232
At 1 January 2020	-

The detail of the carrying amount of goodwill is as follows:

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Cost	Total EUR 000's	Borgun group EUR 000's	Pagaqui EUR 000's	Storyous group EUR 000's	Merchantpas group EUR 000's	Paymentology group EUR 000's	Tutuka group EUR 000's	Switch S.A. EUR 000's	RMS group EUR 000's	Loyverse group EUR 000's	Yoyo group EUR 000's
At 1 January 2020	-	-	-	-	-	-	-	-	-	-	-
Recognised on acquisition of a subsidiary	46,232	10,634	1,898	-	-	-	-	-	-	-	-
At 31 December 2020	46,232	10,634	1,898	-	-	-	-	-	-	-	33,700
Recognised on acquisition of a subsidiary	505,307	-	-	7,196	23,168	37,774	165,875	17,792	229,475	24,027	-
Other changes	49	49	-	-	-	-	-	-	-	-	-
At 31 December 2021	551,589	10,684	1,898	7,196	23,168	37,774	165,875	17,792	229,475	24,027	33,700
Accumulated impairment losses											
At 1 January 2020	-	-	-	-	-	-	-	-	-	-	-
At 31 December 2020	-	-	-	-	-	-	-	-	-	-	-
Impairment losses for the year	7,478	-	-	-	-	-	-	-	-	-	7,478
At 31 December 2021	7,478	-	-	-	-	-	-	-	-	-	7,478
Carrying amount											
At 31 December 2021	544,111	10,684	1,898	7,196	23,168	37,774	165,875	17,792	229,475	24,027	26,222
At 31 December 2020	46,232	10,634	1,898	-	-	-	-	-	-	-	33,700
At 1 January 2020	-	-	-	-	-	-	-	-	-	-	-

Refer to note 33 for additional detail around each acquisition, list of entities comprising each acquired group and the initial calculation of goodwill by acquisition.

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Goodwill is not amortised but tested annually for impairment with the recoverable amount being determined from value-in-use calculations. Goodwill is monitored on an entity wide basis as a singular cash-generating unit ("CGU") for each of the acquisitions in the Group with goodwill. The recoverable amounts have been determined using a value-in-use calculation which is based on cash flow projections for each entity for five years, derived from the Group's latest results and financial forecasts approved by the Board. Thereafter, a terminal value is calculated, based on estimated long-term growth rates. For value-in-use calculations, the key assumptions to which the recoverable amount is most sensitive are the discount rate, long-term growth rate and future cash flows.

Discount rates are derived and evaluated using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset. The Group prepared a capital asset pricing model to calculate a pre-tax rate applicable to the Group as a whole, based on a Group-wide target capitalisation level between debt and equity and on risk premium data for a mature equity market combined with the risk premium of the individual country in which the CGU is located. Both risk premiums are sourced from the Damodaran public database. The Group then applied the appropriate tax rate based on the tax jurisdiction of the CGU to arrive at a post-tax rate for each acquisition in the Group with goodwill.

The discount rates and long-term growth rates for the Group's review are as follows:

Acquisition	Discount rate %	Long-term growth rate %
Borgun hf.	7.1%	3.0%
B-Payment group	7.8%	3.0%
Pagaqui	7.5%	4.0%
Storyous group	13.7%	3.0%
Merchantpas group	6.7%	3.8%
Paymentology group	8.2%	5.0%
Tutuka group	8.2%	5.0%
Switch S.A.	7.5%	4.0%
Yoyo group	11.8%	3.0%

There are no assumptions utilised for the Retail Merchant Services group or for the Loyverse group since a value-in-use calculation was not prepared for either. This is primarily due to the timing of the initial goodwill determination for each group compared to the end of the fiscal year. Both acquisitions occurred during December 2021, and the Group has identified no impairment indicators during the abbreviated intervening period until 31 December 2021.

Impairment losses during the year ended 31 December 2021 of EUR 7.478 million, relate to the acquisition of Yoyo group. The goodwill associated with Yoyo group was calculated at the date of the Group's initial acquisition of Yoyo group on 17 September 2020. Due to unexpected market fluctuations since the date of acquisition, the business of Yoyo group has not achieved the expectations set at the time of purchase and the Group impaired the goodwill associated with Yoyo group to its estimated fair market value at 31 December 2021.

The Group carried out a sensitivity analysis of the impairment test considering three independent scenarios of key assumptions deterioration, as described below:

- an increase of 200 basis points in discount rate;
- a decrease of 20.0% in the value of the free cash flow to equity for all projected years;
- a decrease of 100 basis points in perpetuity rate applied after the last year of projected cash flow.

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The above changes to the assumptions would result in additional impairment losses as follows:

Year ending 31 December 2021

Acquisition	Increase of 200bps in the discount rate	Decrease of 20.0% in the value of the free cash flow to equity	Decrease of 100bps in perpetuity rate
	EUR 000's	EUR 000's	EUR 000's
Merchantpas group	9,893	3,624	4,361
Tutuka group	37,073	-	-
Switch S.A.	-	2,709	3,285
Yoyo group	7,432	5,796	3,262

The sensitivity rates are deemed to represent a reasonably possible change based on historic volatility. There were no assumptions in the year ended 31 December 2020 on which to perform sensitivities.

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16. Other intangible assets

Cost	Capitalised development costs EUR 000's	Patents and trademarks EUR 000's	Brand EUR 000's	Customer relationships EUR 000's	Software EUR 000's	Drawback customer contracts EUR 000's	Total EUR 000's
At 1 January 2020	-	-	-	-	-	-	-
Exchange differences	1,160	-	-	-	11	-	1,171
Additions from internal development	591	-	-	-	6	-	598
Additions from separate acquisitions	-	-	-	-	9	-	9
Acquired on acquisition of a subsidiary	3,786	-	844	1,133	5,021	-	10,784
At 31 December 2020	5,537	-	844	1,133	5,047	-	12,562
Exchange differences	355	0	-	-	106	(118)	343
Additions from internal development	3,379	1	-	-	-	-	3,380
Additions from separate acquisitions	-	-	-	-	-	-	-
Disposal	(2,548)	-	-	-	(156)	(124)	(2,828)
Acquired on acquisition of a subsidiary	10,341	4	1,884	53,101	41,783	2,221	109,334
At 31 December 2021	17,065	5	2,728	54,234	46,779	1,979	122,791

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	Capitalised development costs EUR 000's	Patents and trademarks EUR 000's	Brand EUR 000's	Customer relationships EUR 000's	Software EUR 000's	Drawback customer contracts EUR 000's	Total EUR 000's
Amortisation							
At 1 January 2020	-	-	-	-	-	-	-
Exchange differences	702	-	-	-	14	-	716
Acquired on acquisition of a subsidiary	2,617	-	-	-	1,263	-	3,880
Charge for the year	199	-	124	68	372	-	763
At 31 December 2020	3,518	-	124	68	1,649	-	5,359
Exchange differences	160	1	-	-	67	(71)	157
Acquired on acquisition of a subsidiary	3,152	-	-	-	2,774	1,283	7,208
Disposal	(2,548)	-	-	-	(156)	(124)	(2,828)
Charge for the year	4,947	-	507	1,512	4,435	218	11,619
At 31 December 2021	9,228	1	632	1,580	8,769	1,305	21,515

Carrying amount

At 31 December 2021	7,837	4	2,097	52,654	38,011	674	101,276
At 31 December 2020	2,020	-	720	1,065	3,398	-	7,203
At 1 January 2020	-	-	-	-	-	-	-

During the year ended 31 December 2021, the Group recorded net intangible assets of EUR 89.8 million (2020: EUR 4.4 million) related to business combinations. Capital expenditures are recorded as cash outflows from investing activities in the Group's Consolidated statement of cash flows in the period they are paid.

Amortisation expense on intangible assets for year ended 31 December 2021 was EUR 11.6 million (2020: EUR 0.8 million).

Useful lives of intangible assets are set out the 'Intangible assets' policy within note 3.

Intangible assets are tested for impairment if events or changes in circumstances indicate that the carrying amounts of the asset may be impaired. No impairment indicators were detected during 2021 or 2020.

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17. Property, plant and equipment

	Land and buildings EUR 000's	Plant and machinery EUR 000's	Fixtures and fittings EUR 000's	Total EUR 000's
Gross Amount				
At 1 January 2020	-	-	4	4
Additions	18	879	360	1,257
Acquisition of subsidiary	7,045	4,325	3,138	14,509
Exchange differences	58	(24)	41	75
Disposals	(20)	(578)	(11)	(610)
Revaluation increase	-	-	-	-
At 31 December 2020	7,101	4,602	3,532	15,235
Additions	226	1,333	2,055	3,613
Acquisition of subsidiary	106	19,621	4,137	23,863
Exchange differences	263	371	120	754
Disposals	(374)	(283)	(822)	(1,479)
Reclassified as held for sale	(6,346)	-	-	(6,346)
Revaluation increase	-	-	-	-
At 31 December 2021	975	25,644	9,022	35,640
Comprising:				
At cost	975	25,644	9,022	35,640
	Land and buildings EUR 000's	Plant and machinery EUR 000's	Fixtures and fittings EUR 000's	Total EUR 000's
Accumulated depreciation and impairment				
At 1 January 2020	-	-	0	0
Acquisition of subsidiary	1,210	2,717	1,948	5,875
Charge for the year	83	554	243	880
Impairment loss	-	-	-	-
Exchange differences	30	(11)	37	56
Eliminated on disposals	(5)	(476)	(2)	(483)
Transferred to investment property	-	-	47	47
At 31 December 2020	1,318	2,784	2,273	6,375
Acquisition of subsidiary	72	15,197	2,861	18,130
Charge for the year	234	1,423	825	2,482
Impairment loss	-	-	-	-
Exchange differences	(858)	289	59	(511)
Eliminated on disposals	(294)	(224)	(696)	(1,214)
At 31 December 2021	471	19,469	5,322	25,262
Carrying amount				
At 31 December 2021	504	6,175	3,700	10,379
At 31 December 2020	5,783	1,818	1,260	8,860
At 1 January 2020	-	-	4	4

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18. Subsidiaries

The Group consists of a parent company, Salt Pay Co Ltd., incorporated in the Cayman Islands and a number of subsidiaries held directly and indirectly by Salt Pay Co Ltd., which operate and are incorporated around the world. The table below lists details of the Company's interests in subsidiaries.

Name of Company	% Holding	Country of Incorporation	Address	Principal Activity
Alas Hellas	100%	Greece	4 Kosti Palama Street, P.C 15232, Municipality of Chalandri, Attica	Cost centre (finance services and business and management consultants)
Amole Ltd.	100%	United Kingdom	Third Floor, 20 Old Bailey, London, EC4M 7AN	Holding and investment company
APSE Internacional II S.A.	100%	Portugal	Rua Dona Maria do Carmo Fragoso Carmona, n.º 53 C, 2750-248 Cascais	Holding company
APSE Internacional S.A.	100%	Portugal	Rua Dona Maria do Carmo Fragoso Carmona, n.º 53 C, 2750-248 Cascais	Holding company
B-Payment d.o.o.	100%	Croatia	Kapucinski trg 5, 42000 Varaždin	Payment services
B-Payment s.r.o.	100%	Czech Republic	Olšanská 2643/1a, Žižkov, 130 00 Praha 3	Payment services
B-Payment Slovensko s.r.o.	100%	Slovakia	Ružová dolina 480/6 Bratislava 821 08	Payment services
B-Payment zrt.	100%	Hungary	Rakoczi ut 42, 1072 Budapest	Payment services
Cavius International Ltd.	100%	Cyprus	Archiepiskopou Leontiou A, 187, 4 th floor, Limassol, 3020, Cyprus	EPOS provider
Five Galaxies International Ltd.	100%	Cyprus	Archiepiskopou Leontiou A, 187, 4 th floor, 3020, Limassol, Cyprus	EPOS provider
Five Galaxies Software Ltd.	100%	Cyprus	Archiepiskopou Leontiou A, 187, 4 th floor, 3020, Limassol, Cyprus	EPOS provider
Flexpay Proprietary Limited	100%	South Africa	Gleneagles Building, Fairway Office Park, 52 Grosvenor Road, Bryanston, 2191	Processing platform for payments
International Tutuka Holdings Limited	100%	Mauritius	6 th Floor, Tower A, 1 CyberCity, Ebene	Processing platform for payments
K2019135490 Pty Ltd.	100%	South Africa	1 Bentley Office Park, 67 Wessel Road, Rivonia, South Africa	Processing platform for payments
Merchant Payment Acquiring Services s.r.o.	100%	Slovakia	Mlynské nivy 56, Ružinov 821 05 Bratislava	Local sales organisation
Merchant Payment Acquiring Services s.r.o.	100%	Czech Republic	Čerčanská 2053/18, Krč, 140 00 Praha 4	Local sales organisation
merchantpas j.s.a.	100%	Slovakia	Vysokoškolačkov 8556/33B, 010 08 Žilina, the Slovak Republic	Holding company
Paymentology (SGP) PTE Ltd.	100%	Singapore	c/o 20 Collyer Quay, Singapore, 049319	Processing platform for payments
Paymentology Limited	100%	United Kingdom	Third Floor, 20 Old Bailey, London, EC4M 7AN	Processing platform for payments
Pepper Payment 1 Ltd.	100%	Mauritius	10 th Floor, Ebene Heights Building, 34 Ebene Cybercity, 72201, Ebene	Holding company
Pepper Payment Ltd.	93.82%	Mauritius	10 th Floor, Ebene Heights Building, 34 Ebene Cybercity, Ebene	Holding company
Poscom CZ s.r.o.	100%	Czech Republic	Čerčanská 2053/18, Krč, 140 00 Prague 4,	Local sales organisation
Poscom s.r.o.	100%	Slovakia	Golianova 93, Nitra 949 01, Slovakia	Local sales organisation
Retail Merchant Finance Ltd.	100%	United Kingdom	Third Floor, 20 Old Bailey, London, EC4M 7AN	Local sales organisation
Retail Merchant Group Ltd.	100%	United Kingdom	Third Floor, 20 Old Bailey, London, EC4M 7AN	Local sales organisation

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Name of Company	% Holding	Country of Incorporation	Address	Principal Activity
Retail Merchant Services Ltd.	100%	United Kingdom	Third Floor, 20 Old Bailey, London, EC4M 7AN	Local sales organisation
RMS Holdco Limited	100%	United Kingdom	Third Floor, 20 Old Bailey, London, EC4M 7AN	Holding company
Salis Portugal Unipessoal LDA	100%	Portugal	Calçada Bento da Rocha Cabral, 1 Distrito: Lisboa Concelho: Lisboa Freguesia: Santo António 1250 047 Lisboa	Cost centre (back office and software development)
Salt Pay Europe Ltd.	100%	United Kingdom	Third Floor, 20 Old Bailey, London, EC4M 7AN	Holding company
Salt Pay Hardware Ltd.	100%	Ireland	Philip Lee, 7-8 Wilton Terrace, Dublin 2	Centralised inventory management
Salt Pay Hungary Kft.	100%	Hungary	Kalvin ter 12-13, 4. Em, 1085 Budapest	Local sales organisation
Salt Pay Ireland Ltd.	100%	Ireland	Philip Lee, 7-8 Wilton Terrace, Dublin 2	Local sales organisation
Salt Pay Istari (Pty) Limited	100%	South Africa	7 PRELLER STREET, SOMERSET WEST, CAPE TOWN, WESTERN CAPE, 7130	Cost centre (software development)
Salt Pay Services Ltd.	100%	United Kingdom	Third Floor, 20 Old Bailey, London, EC4M 7AN	Cost centre (back office, software development and financial, legal and management services)
SaltPay IIB hf.	100%	Iceland	Armula 30, 108 Reykjavik	Acquiring services
SaltPay Portugal S.A.	95.2%	Portugal	Rua Monsenhor Fonseca Soares, 44 Distrito: Porto Concelho: Porto Freguesia: Lordelo do Ouro e Massarelos 4150 335 Porto	Local sales organisation
Storyous s.r.o.	100%	Czech Republic	Evropska 2758/11, Dejvice, 160 00 Prague 6	EPOS provider
Storyous POLSKA	100%	Poland	Świeradowska 47, 02-662 Warszawa, Polska	EPOS provider
StoryousTech SL	100%	Spain	Calle Nao 4, 2º floor, 28004, Madrid, Spain	EPOS provider
Switch S.A.	100%	Portugal	Avenida da Boavista 3769 L28, 4100 - 139 Porto, parish Aldoar, Foz do Douro and Nevogilde, Portugal	Payment gateway
Tutuka International DMCC	100%	United Arab Emirates	Unit No: 1001-20 Swiss Tower Plot No: JLT-PH2-Y3A Jumeirah Lakes Towers Dubai	Processing platform for payments
Tutuka Software Pty Limited	100%	South Africa	1 Bentley Office Park, 67 Wessel Road, Rivonia, South Africa	Processing platform for payments
Yoyo International B.V.	93.82%	Netherlands	Hanzestraat 41, 7006RH Doetinchem	Customer loyalty services
Yoyo International Limited	93.82%	Mauritius	c/o Vistra Alternative Investments (Mauritius) Limited, 3rd Floor, 355 NEX Rue de Savoir Cybercity Ebene	Customer loyalty services
Yoyo S.A (Pty) Limited	93.82%	South Africa	Block 2 Northgate Park, Corner Section Street and Platinum Drive, Brooklyn, Cape Town	Customer loyalty services
Yoyo Services (Pty) Limited	93.82%	South Africa	Unit 207, Second Floor, Block 2, Northgate Park, Section Road, Brooklyn, 7405, Cape Town	Customer loyalty services
Yoyo Wallet Ltd.	93.82%	United Kingdom	Third Floor, 20 Old Bailey, London, EC4M 7AN	E-money institution
Zerovat s.r.o.	100%	Slovakia	Mlynské Nivy 56, Bratislava 821 05	Local sales organisation

The Company's direct and indirect subsidiaries incorporated in the United Kingdom and in Ireland have taken advantage of disclosure exemptions in preparing their financial statements, as permitted by the Financial Reporting Standard 101 "Reduced Disclosure Framework" or the Financial Reporting

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Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the UK Companies Act 2006 or the Irish Companies Act 2014. Those entities include Paymentology Ltd. (UK company number 09670444), Retail Merchant Finance Ltd. (UK company number 06079692), Retail Merchant Group Ltd. (UK company number 06257540), Retail Merchant Services Ltd. (UK company number 06079704), RMS Holdco Limited (UK company number 10597461), Salt Pay Europe Ltd. (UK company number 12951319), Salt Pay Hardware Ltd. (Irish registration number 700445), Salt Pay Ireland Ltd. (Irish registration number 684153), Salt Pay Services Ltd. (UK company number 12271069) and Yoyo Wallet Ltd. (UK company number 08515940). Additionally, Paymentology Ltd. (UK company number 09670444), Retail Merchant Group Ltd. (UK company number 06257540) and RMS Holdco Limited (UK company number 10597461) have taken advantage of the exemption from audit of a subsidiary company permitted by section 479a of the UK Companies Act 2006, and the Company has guaranteed all outstanding liabilities to which these subsidiary companies are subject at 31 December 2021 under section 479c of the UK Companies Act 2006 until they are satisfied in full.

The table below shows details of non-wholly owned subsidiaries of the Group that have non-controlling interests:

Name of subsidiary	Principal place of business and place of incorporation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests for the year		Non-controlling interests	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
		%	%	EUR 000's	EUR 000's	EUR 000's	EUR 000's
APSE Internacional II, S.A.	Portugal	0.0%	10.2%	0	(56)	0	248
Saltpay Portugal S.A.	Portugal	4.8%	19.2%	(215)	(95)	120	16
Yoyo group	United Kingdom	6.2%	36.5%	(869)	(348)	1,476	10,987

'Control over Yoyo group' within note 4 provides additional explanation of the Group's control of the Yoyo group.

19. Associates

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of associate	Principal activity	Place of incorporation & principal place of business	Proportion of ownership interest and voting rights held by the Group	
			31/12/2021	31/12/2020
Stamp B.V.	Software provider of tax free shopping	Netherlands	23.08%	0%
Timatal ehf.	Booking manager	Iceland	22.49%	0%
MeaWallet AS	Digital payments enabler	Norway	20.50%	0%

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	Stamp B.V.		Timaltal ehf.		MeaWallet AS	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's
Current assets	(309)	385	736	247	3,284	2,489
Non-current assets	489	489	1,052	36	6,936	1,775
Current liabilities	67	120	369	239	1,221	633
Non-current liabilities	-	-	-	-	2,904	3,027
Equity attributable to owners of the Company	113	754	1,419	43	6,094	604
Non-controlling interest	-	-	-	-	-	-
Revenue	89	49	394	252	3,160	1,884
Profit or loss from continuing operations	(362)	(9)	(231)	35	(2,164)	(1,235)
Profit/(loss) for the year	(642)	(440)	(160)	28	(2,053)	(1,356)
Other comprehensive income attributable to the owners of the Company	-	-	-	-	-	-
Total comprehensive income	(642)	(440)	(160)	28	(2,053)	(1,356)
Dividends received from the associate during the year	-	-	-	-	-	-

Dividends received from associates above represent the actual amounts attributable and hence received by the Group. The other summary information that precedes the reconciliation to the Group's carrying amount represents amounts included in the IFRS financial statements of the associate, not the entity's share of these amounts, although they are adjusted to reflect fair value adjustments upon acquisition or accounting policy alignments.

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	Stamp B.V.		Timatal ehf.		MeaWallet AS		Other Adjustments		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Net assets of associate	113	754	1,419	43	6,100	604	-	-	7,631	1,402
Proportion of the Group's ownership interest in the associate	26	-	336	-	1,250	-	-	-	1,613	-
Proportion of the Group's ownership interest in the associate 2021 net income	(49)		(36)		(35)		-		(120)	-
Goodwill	1,425		934		3,701		-		6,060	-
Other adjustments - Fx differences	-	-	19	-	13	-	-	-	32	-
Carrying amount of the Group's interest in the associate	1,450	-	1,253	-	4,952	-	(6)	-	7,649	-

All of the above associates are accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in note 3.

- (i) Pursuant to a shareholder agreement, the Company has the right to cast 23.08 per cent of the votes at shareholder meetings of Stamp B.V., 22.49 per cent of the votes at shareholder meetings of Timatal ehf. and 20.50 per cent of the votes at shareholder meetings of MeaWallet AS.

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20. Investments in financial assets

	Current		Non-Current		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's
Investments	17,681	6,646	2,772	23,358	20,453	30,004

Investments reported in current assets are financial assets at fair value through profit or loss held by Group subsidiary SaltPay IIB hf. The value is comprised of government bonds and forward agreements. The investment reported in non-current assets is the Company's investment in Fraudio Holding B.V.

Investments reported in non-current assets are the Group's minority interest in other entities. At 31 December 2021, the Group held 16.2 per cent (2020: 0.0 per cent) of the ordinary share capital of Fraudio Holding B.V., an entity involved in the prevention of fraud. The directors of the Group do not consider that the Group is able to exercise significant influence over Fraudio Holding B.V. as the other 83.8 per cent of the ordinary share capital is held by another shareholder, who also manages the day-to-day operations of that entity.

At 31 December 2020, the Group held 5.56 per cent of the ordinary share capital of Five Stars Loyalty, Inc., a payments and marketing platform. Due to the low percentage of share capital owned by the Group and limited direct involvement by the Group in the investee's operations, the directors of the Group do not consider that the Group was able to exercise significant influence over Five Stars Loyalty, Inc. The Group sold its shares in the investee during 2021 for EUR 3.817 million, generating a loss disclosed in note 11.

21. Inventories

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Total inventories	23,655	1,315
Write-downs of inventory to net realisable value	(398)	-
Recognised as expense during the year in respect of continuing operations	(398)	-
Inventories expected to be recovered after more than 12 months	147	806

The cost of inventories recognised as an expense during the year in respect of continuing operations was EUR 0.4 million. Most of the EUR 23.7 million carrying balance of inventory (2020: EUR 1.3 million) consists of terminals held by Salt Pay Hardware Limited on behalf of the Group.

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22. Leases (Group as a lessee) and right-of-use assets

	Buildings EUR 000's	Equipment EUR 000's	Total EUR 000's
Right-of-use assets			
Cost			
At 1 January 2020	167	-	167
Acquisition of subsidiary	1,358	176	1,535
Additions	-	31	31
Exchange differences	109	(0)	109
At 31 December 2020	1,635	207	1,842
Acquisition of subsidiary	2,635	9,563	12,199
Additions	2,871	802	3,673
Exchange differences	48	117	165
Disposals	-	(50)	(50)
At 31 December 2021	7,189	10,639	17,828
Accumulated depreciation			
At 1 January 2020	18	-	18
Acquisition of subsidiary	232	78	310
Charge for the year	106	9	115
Exchange differences	20	(0)	20
At 31 December 2020	377	87	464
Acquisition of subsidiary	904	4,431	5,334
Charge for the year	740	854	1,594
Disposals	-	(50)	(50)
Exchange differences	(8)	58	50
At 31 December 2021	2,013	5,380	7,393
Carrying amount			
At 31 December 2021	5,177	5,259	10,437
At 31 December 2020	1,258	120	1,378
At 1 January 2020	148	-	148

The Group leases several assets including buildings and equipment. The average lease term is 1-5 years.

The Group has options to purchase certain manufacturing equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

During the year ended 31 December 2021, the Group recorded a cost of EUR 1.7 million related to short-term leases and leases of low-value assets directly to its expense without capitalising and depreciating a right-of-use asset, in accordance with IFRS 16.

The obligations under financial leases may be decomposed as follows:

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	31/12/2021	31/12/2020
	EUR 000's	EUR 000's
Maturity analysis		
Year 1	5,112	494
Year 2	3,390	342
Year 3	1,724	367
Year 4	744	288
Year 5	373	-
Onwards	109	-
	<u>11,452</u>	<u>1,491</u>
Less: Unearned interest	<u>(638)</u>	<u>(178)</u>
	<u>10,814</u>	<u>1,313</u>
Analysed as:		
Non-current	6,088	992
Current	<u>4,726</u>	<u>321</u>
	<u>10,814</u>	<u>1,313</u>

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23. Loans and advances to customers

	31/12/2021 EUR 000's		
	Individuals	Companies	Total
Loans and advances (Gross) - Stage 1	13,347	-	13,347
Loans and advances (Gross) - Stage 2	154	-	154
Loans and advances (Gross) - Stage 3	734	-	734
Total loans and advances (Gross)	14,235	-	14,235
Expected credit loss provision - Stage 1	(141)	-	(141)
Expected credit loss provision - Stage 2	(22)	-	(22)
Expected credit loss provision - Stage 3	(509)	-	(509)
Total expected credit loss provision	(671)	-	(671)
	13,563	-	13,563

	31/12/2020 EUR 000's		
	Individuals	Companies	Total
Loans and advances (Gross) - Stage 1	23,826	594	24,420
Loans and advances (Gross) - Stage 2	414	-	414
Loans and advances (Gross) - Stage 3	960	-	960
Total loans and advances (Gross)	25,201	594	25,795
Expected credit loss provision - Stage 1	(192)	(5)	(196)
Expected credit loss provision - Stage 2	(53)	-	(53)
Expected credit loss provision - Stage 3	(575)	-	(575)
Total expected credit loss provision	(820)	(5)	(825)
	24,380	590	24,970

The entire balance of 'Loans and advances to customers' is held by Group subsidiary SaltPay IIB hf. This loan portfolio arises from the working capital and credit solutions offered by SaltPay IIB hf., which comprises the Group's lending business and on which the Group earns financial income. The revenue recognition policy for recognising financial income from 'Loans and advances to customers' is disclosed in note 3.

At the end of each reporting period, the Group reviews the carrying amounts of its 'Loans and advances to customers' to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

The Group's assessment of impairment reflects expected loan losses based on future prospects. This requires assessment of how components affect expected credit losses. The expected credit loss reflects

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the present value of lack of funds due to default either for the next 12 months or over the expected lifetime of a financial instrument, from the time of default.

The assessment of loan losses is based on the real loss for the year, considering the main economic variables that are expected to affect the collection of the loans. In general, the calculation is based on the probability of default and estimated loss if default.

Stage 1: No significant increase in credit risk. Loans where the credit risk has not increased significantly since the last valuation are classified as stage 1, where the impairment is based on a 12-month expected credit loss.

Stage 2: Significant increase in credit risk. Loans where the credit risk has increased substantially since initial listing are classified as stage 2 and the impairment is assessed based on the lifetime of the loan.

Stage 3: Loans where the borrower is in substantial arrears are classified as stage 3 and the impairment is assessed as expected credit loss over the lifetime of the loan.

Based on the nature of the loan portfolio, the Group uses simplified evaluation method, where 12-month expected credit loss, is demonstrative for the lifetime expected credit loss.

Movements between stages depends on whether the instrument's credit risk on the reporting date has increased significantly compared to the initial recognition. For example:

- A breach of contract, such as a default on instalments or on interest or principal payments,
- The company granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a refinancing concession, that lender would not be consider,
- It becomes probable that the borrower will enter bankruptcy or undergo other financial reorganisation,
- The disappearance of an active market for that financial asset because of financial difficulties,
- Observable data indicating that there is a measurable decrease in the estimated future cash flow from a group of loans since the initial recognition of those assets, even if the decrease cannot yet be identified with the individual financial assets in the group, including adverse changes in the payment of the status of the borrowers in the group or general national or local economic condition connected with the assets in the group.

24. Trade and other receivables

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Trade receivables	12,357	3,323
Accounts receivable from card issuers	11,182	7,393
Loss allowance	(2,087)	(513)
	21,452	10,203
Other receivables	20,764	13,199
Prepayments	5,488	1,971
	47,704	25,373
Value of trade receivables from contracts with customers	23,469	28,083
Value of loss allowance from contracts with customers	(147)	(993)
	23,322	27,090

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'Other receivables' is comprised of several balances held by Group subsidiaries, including EUR 6.6 million of collateral held with international payment card issuers owed to SaltPay IIB hf., EUR 1.9 million of VAT receivables and employee-related receivables related to SaltPay Portugal S.A., EUR 1.2 million of advances to credit institutions owed to SaltPay IIB hf., EUR 5.1 million of other receivables owed to SaltPay IIB hf., EUR 3.1 million of other receivables owed to Retail Merchant Services Ltd., and EUR 0.9 million of other receivables owed to B-Payment zrt.

The Group tests the impairment of trade and other receivables in accordance with IFRS 9. The accumulated value of impairment recognised is reported in the balance of 'Value of loss allowance from contracts with customers'.

Trade receivables

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

25. Cash and cash equivalents

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Cash available for use by the Group	523,725	141,600
Restricted cash	475	550
Total cash and bank balances	524,200	142,150

'Restricted cash' relates to balances in ring-fenced accounts to safeguard customer e-money balances, held by Yoyo Wallet Ltd. (2021: EUR 0.3 million, 2020: 0.6 million) and Flexpay Proprietary Limited (2021: EUR 0.2 million).

26. Borrowings

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Unsecured borrowing at amortised cost		
Bank overdrafts	764	532
Bank loans	35	16
	799	548
Secured borrowing at amortised cost		
Bank overdrafts	98	-
Bank loans	11,280	1,210
	11,378	1,210
Total borrowings	12,177	1,758
Non-current	613	1,028
Current	11,564	730
	12,177	1,758

The majority of the balance at 31 December 2021 is held by Group subsidiary SaltPay IIB hf. in EUR 10.1 million of bank loans with external bank Íslandsbanki hf. SaltPay IIB hf. entered into a revolving

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facility agreement with Íslandsbanki hf. on 27 September 2021. Under this agreement, SaltPay IIB hf. may draw down up to ISK 1.7 billion (EUR 11.7 million) in one-month instalments. Interest is based on the Reykjavik Interbank Offered Rate ("REIBOR"), plus 2.9% per annum. The agreement was subsequently amended on 26 October 2021 to extend the term of loans under the agreement from one month to three months and revised the interest rate benchmark accordingly from 1-month REIBOR to 3-month REIBOR. SaltPay IIB hf. has drawn down a total of EUR 10.1 million under this revolving facility at 31 December 2021, all of which is a current liability repayable within three or fewer months.

Group subsidiary SaltPay Portugal S.A. holds another EUR 1.1 million of bank loans and EUR 0.8 million of bank overdrafts at 31 December 2021. Of the total balance of bank loans, EUR 0.5 million is a current liability and EUR 0.6 million is non-current. These loans are held at external banks Millennium bcp, Novo Banco and EuroBIC in the amounts of EUR 0.5 million, EUR 0.3 million and EUR 0.3 million, respectively. All loans were entered into between May 2020 and June 2020 for terms ranging from 48 to 72 months and mature between May 2022 and May 2026. The interest rates are based on the Euro Interbank Offered Rate ("EURIBOR") with a spread of 1.0-1.5%. The EUR 0.8 million of bank overdrafts are authorised overdraft positions with external banks Caixa Geral de Depósitos, SA, Banco BPI and Banco Atlântico Europa in the amounts of EUR 0.4 million, EUR 0.2 million and EUR 0.1 million, respectively. The overdrafts do not have formalised term lengths and are due on demand, making them a current liability, and interest rates are based on EURIBOR.

The Group's balance of borrowings at 31 December 2020 is almost entirely comprised of borrowings held by SaltPay Portugal S.A. which includes EUR 1.2 million in bank loans (current: EUR 0.2 million, non-current: EUR 1.0 million) and EUR 0.5 million in current bank overdrafts. The bank loans and bank overdrafts are held at the same banks and with the same terms and interest rates as 2021.

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27. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.

	Accelerated tax depreciation	Revaluation of financial assets	Others	Share-based payments	Tax losses	Intangible amortisation arising from goodwill	Total
	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's
At 1 January 2020	-	-	-	-	-	-	-
Charge to profit or loss	-	-	-	-	-	88	88
Acquisition of subsidiary	-	-	-	-	3,272	(1,001)	2,271
Exchange differences	-	-	-	-	153	-	153
Effect of change in tax rate:							
-- profit or loss	-	-	-	-	1,947	-	1,947
At 31 December 2020	-	-	-	-	5,372	(913)	4,459
Charge to profit or loss	0	16	22	709	(21)	1,444	2,169
Acquisition of subsidiary	614	(172)	(158)	-	271	(22,290)	(21,735)
Exchange differences	9	2	5	(669)	321	-	(333)
Effect of change in tax rate:							
-- profit or loss	-	-	-	-	657	-	657
At 31 December 2021	623	(154)	(131)	40	6,600	(21,759)	(14,783)
Deferred tax assets	31/12/2021 EUR 000's	31/12/2020 EUR 000's					
	7,308	5,371					
Deferred tax liabilities	22,090	913					
	(14,783)	4,459					

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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28. Trade and other payables

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Trade payables	59,988	84,890
Other taxation and social security	4,917	694
Other payables	3,390	5,124
Accruals	8,081	2,999
Deferred income	5,595	426
Trade and other payables	81,970	94,133
Payable related to subsidiary acquisition	7,364	11,682
Other	391	-
Other financial liabilities	7,755	11,682

Trade payables and accruals principally comprise amounts outstanding for trade purchases, settlement obligations and ongoing costs. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

'Other payables' is comprised of several balances held by Group subsidiaries, including EUR 0.8 million of payroll-related liabilities owed by SaltPay IIB hf., EUR 0.4 million of balances owed to clients owed by Yoyo Wallet Ltd., EUR 0.8 million of other payables owed by SaltPay IIB hf., EUR 0.3 million of other payables owed by SaltPay Portugal S.A. and EUR 0.3 million of other payables owed by Salis Portugal Unipessoal LDA.

'Payable related to subsidiary acquisition' is largely comprised of the contingent consideration balance of EUR 7.3 million owed by the Company at 31 December 2021 in relation to the acquisition of Switch S.A. Refer to note 33 for additional detail around this acquisition and the associated contingent consideration.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

29. Provisions

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Paid leave provision	88	-
	88	-
Non-current	-	-
Current	88	-
	88	-

The balance of 'Paid leave provision' represents management's best estimate of the Group's liability related to unused employee leave.

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30. Share capital

	EUR 000's
Value of equity raise	
At 1 January 2020	-
Round A	59,529
Round A'	5,415
Round B	113,239
At 31 December 2020	178,183
Round B'	12,611
Round C	78,307
Round C - 1st & 2nd extensions	534,986
Round C - 3rd extension	511,011
At 31 December 2021	1,315,098

Fair value of shares in USD

Round of investment	Fair value on date	Currency
Round A	\$ 100.00	USD
Round A'	\$ 100.00	USD
Round B	\$ 366.81	USD
Round B'	\$ 494.67	USD
Round C	\$ 1,011.58	USD
Round C - 1st & 2nd extensions	\$ 1,234.56	USD
Round C - 3rd extension	\$ 1,942.35	USD

Since 1 January 2020, the Company has completed three primary rounds of equity fundraising: Round A, Round B and Round C. The Company issues its capital with a share price quoted in United States Dollars ("USD").

The total authorised number of ordinary shares is 4,662,223 shares as of 31 December 2021 (2020: 3,594,143 shares) with a par value of USD 0.01. All issued shares are fully paid.

As of 31 December 2021 the total amount includes share capital of USD 46,662 (EUR 39,982) and share premium of USD 1,533,453,580 (EUR 1,315,098,350).

31. Share-based payments reserve

	EUR 000's
At 1 January 2020	-
Credit to equity for equity-settled share-based payments	121
Deferred tax on share-based payments	-
At 31 December 2020	121
Credit to equity for equity-settled share-based payments	10,567
Deferred tax on share-based payments	-
At 31 December 2021	10,688

Share-based payments are further disclosed in note 37.

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32. Retained earnings

	EUR 000's
At 1 January 2020	(198)
Net profit (loss) for the year	(9,369)
At 31 December 2020	(9,567)
Net profit (loss) for the year	(94,094)
At 31 December 2021	(103,661)

33. Acquisition of subsidiaries**Borgun hf. and its subsidiaries, or the Borgun group**

On 6 July 2020, the Group acquired 95.96 per cent of the issued share capital of Borgun hf. and its subsidiaries and increased its ownership to 100 per cent of the issued share capital immediately thereafter, obtaining control of Borgun hf. domiciled in Iceland, B-Payment d.o.o. domiciled in Croatia, B-Payment s.r.o. domiciled in Czech Republic, B-Payment Slovensko s.r.o. domiciled in Slovakia and B-Payment zrt. domiciled in Hungary ("the Borgun group"). The subsidiaries of Borgun hf. are collectively referred to as "the B-Payment group".

Borgun hf. is a payment issuer-acquirer with a consumer lending business providing card present and card not present acquiring solutions to merchants and qualifies as a business as defined in IFRS 3. The Borgun group was acquired because it enabled to Group to gain a European lending licence and for its c.4,000 merchant relationships.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

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	EUR 000's
Financial assets	97,979
Inventory	361
Property, plant and equipment	8,505
Other assets	10,042
Identifiable intangible assets	1,714
Financial liabilities	(93,610)
Other liabilities	(8,359)
Deferred tax on identifiable intangible assets	(174)
Total identifiable assets acquired and liabilities assumed	16,458
Goodwill	10,634
Total consideration	27,092
Satisfied by:	
Cash	27,092
Total consideration transferred	27,092
Net cash outflow on acquisition:	
Cash consideration	27,092
Less: cash and cash equivalent balances acquired	(43,884)
	(16,792)

The fair value of the financial assets includes loans and advances to customers of EUR 30.5 million, loans and advances to credit institutions of EUR 0.1 million, receivables from card schemes of EUR 12.2 million, collateral with card schemes of EUR 7.0 million, financial assets at FVOCI of EUR 3.7 million, cash and cash equivalents of EUR 43.9 million and other receivables from B-Payment customers of EUR 0.6 million. The best estimate at acquisition date is that all contractual cash flows will be collected.

The fair value of the financial liabilities includes settlement obligations to customers of EUR 93.2 million.

The identifiable intangible assets include software of EUR 0.8 million, brand of EUR 0.6 million and customer relationships of EUR 0.2 million. The goodwill of EUR 10.6 million arising from the acquisition consists of the acquired workforce and benefits of expected synergies specific to the Group. None of the goodwill is expected to be deductible for income tax purposes.

The Borgun group contributed EUR 35.0 million revenue and EUR 8.0 million to the Group's loss for the year.

Subsequent to the acquisition of Borgun hf., the Group legally changed the entity's name to SaltPay IIB hf.

Pagaqui Pagamentos e Carregamentos, S.A.

On 6 October 2020, the Group, through its holding companies APSE Internacional, S.A. and APSE Internacional II, S.A., acquired 51 per cent of the issued share capital of Pagaqui Pagamentos e Carregamentos, S.A. ("Pagaqui") in Portugal, obtaining control of the company.

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Pagaqui is a payments company and an independent sales organisation ("ISO") offering bill payments and top-ups to merchants and qualifies as a business as defined in IFRS 3. Pagaqui was acquired as an entry into the Portugal market and for its merchant relationships.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	EUR 000's
Financial assets	2,981
Inventory	415
Property, plant and equipment	68
Other assets	98
Identifiable intangible assets	2,243
Financial liabilities	(4,227)
Other liabilities	(81)
Deferred tax on identifiable intangible assets	(390)
Total identifiable assets acquired and liabilities assumed	1,108
Less: Non-controlling interest measured at fair value	734
Goodwill	1,898
Total consideration	2,271
Satisfied by:	
Cash	2,271
Total consideration transferred	2,271
Net cash outflow on acquisition:	
Cash consideration	2,271
Less: cash and cash equivalent balances acquired	(1,148)
	1,124

The fair value of financial assets includes trade receivables of EUR 1.8 million and cash and cash equivalents of EUR 1.1 million. The best estimate at acquisition date is that all contractual cash flows will be collected. The fair value of financial liabilities includes trade payables of EUR 2.4 million and loans of EUR 1.8 million.

The identifiable intangible assets include software of EUR 1.5 million and customer relationships of EUR 0.7 million. The goodwill of EUR 1.9 million arising from the acquisition consists of the acquired workforce and benefits of expected synergies specific to the Group. None of the goodwill is expected to be deductible for income tax purposes.

Pagaqui contributed EUR 2.5 million revenue and EUR 3.8 million to the Group's loss for the year.

Subsequent to the acquisition of APSE International, S.A., the Group additionally acquired the remaining share capital. The Group also legally changed the name of its subsidiary from Pagaqui Pagamentos e Carregamentos, S.A. to SaltPay Portugal S.A. As at 31 December 2021, the Group owns 100 per cent of the issued share capital of APSE International, S.A. and 95.2 per cent of the issued share capital of SaltPay Portugal S.A.

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Storyous s.r.o. and its subsidiaries, or the Storyous group

On 25 January 2021, the Group acquired 80 per cent of the issued share capital of Storyous s.r.o. and its subsidiaries, obtaining control of Storyous s.r.o. domiciled in Czech Republic, Storyous SPOLKA domiciled in Poland and StoryousTech SL domiciled in Spain ("the Storyous group").

The Storyous group is a cloud-based ePOS provider who also provides hardware sales to its customers and qualifies as a business as defined in IFRS 3. The Storyous group was acquired because of the software it has developed, to strengthen the Group's automation capabilities and because of the workforce with a strong company culture and strong employer brand for hiring in the region.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	EUR 000's
Financial assets	274
Inventory	58
Property, plant and equipment	1
Other assets	27
Identifiable intangible assets	1,459
Financial liabilities	(2,381)
Other liabilities	(175)
Deferred tax assets	172
Deferred tax on identifiable intangible assets	(169)
Total identifiable assets acquired and liabilities assumed	(734)
Less: Non-controlling interest measured at fair value	(147)
Goodwill	7,196
Total consideration	6,609
Satisfied by:	
Cash	6,609
Total consideration transferred	6,609
Net cash outflow on acquisition:	
Cash consideration	6,609
Less: cash and cash equivalent balances acquired	(220)
	6,389

The fair value of financial assets includes cash and cash equivalents of EUR 0.2 million. The best estimate at acquisition date is that all contractual cash flows will be collected. The fair value of financial liabilities includes trade payables of EUR 2.4 million.

The identifiable intangible assets include software of EUR 1.2 million, customer relationships of EUR 0.2 million and brand of EUR 0.1 million. The goodwill of EUR 7.2 million arising from the acquisition consists of the acquired workforce and benefits of expected synergies specific to the Group and automation capabilities specific to the integration between Storyous s.r.o. and the Group. None of the goodwill is expected to be deductible for income tax purposes.

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The Storyous group contributed EUR 3.1 million revenue and EUR 1.3 million to the Group's loss for the period between the date of acquisition and the reporting date.

If the acquisition of the Storyous group had been completed on the first day of the financial year, it would have contributed EUR 3.3 million to Group revenues for the year and EUR 1.3 million to Group loss.

Subsequent to the initial acquisition of Storyous s.r.o., the Group additionally acquired the remaining share capital. As at 31 December 2021, the Group owns 100 per cent of the issued share capital of Storyous s.r.o., Storyous SPOLKA and StoryousTech SL.

merchantpas j.s.a. and its subsidiaries, or the Merchantpas group

On 6 February 2021, the Group acquired 100 per cent of the issued share capital of merchantpas j.s.a. and its subsidiaries, obtaining control of merchantpas j.s.a. domiciled in Slovakia, Merchant Payment Acquiring Services, s.r.o. domiciled in Slovakia, Poscom s.r.o. domiciled in Slovakia, ZEROVAT s.r.o. domiciled in Slovakia and Merchant Payment Acquiring Services s.r.o., domiciled in Czech Republic ("the Merchantpas group").

The Merchantpas group is a payments company and an independent sales organization ("ISO") offering payments application development, bill payments and top-ups, hardware sales and field maintenance to merchants and qualifies as a business as defined in IFRS 3. The Merchantpas group was acquired as an entry into the markets of Slovakia and Czech Republic, the leadership and expertise of its founders who were to be incorporated into the Group and for its c.3,500 merchant relationships.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	EUR 000's
Financial assets	5,198
Inventory	802
Property, plant and equipment	827
Other assets	1,697
Indentifiable intangible assets	3,979
Financial liabilities	(4,219)
Other liabilities	(1,780)
Deferred tax on identifiable intangible assets	(836)
Total identifiable assets acquired and liabilities assumed	5,669
Goodwill	23,168
Total consideration	28,837
Satisfied by:	
Cash	28,837
Total consideration transferred	28,837
Net cash outflow on acquisition:	
Cash consideration	28,837
Less: cash and cash equivalent balances acquired	(1,768)
	27,069

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The fair value of financial assets includes trade receivables of EUR 3.4 million and cash and cash equivalents of EUR 1.7 million. The best estimate at acquisition date is that all contractual cash flows will be collected. The fair value of other assets includes right-of-use assets of EUR 1.7 million.

The fair value of financial liabilities includes trade payables of EUR 3.8 million and loans of EUR 0.4 million. The fair value of other liabilities includes lease liabilities of EUR 1.8 million.

The identifiable intangible assets include customer relationships of EUR 3.0 million, software of EUR 0.8 million and brand of EUR 0.2 million. The goodwill of EUR 23.2 million arising from the acquisition consists of the acquired workforce and benefits of expected synergies specific to the Group. None of the goodwill is expected to be deductible for income tax purposes.

The Merchantpas group contributed EUR 8.4 million revenue and EUR 0.5 million to the Group's loss for the period between the date of acquisition and the reporting date.

If the acquisition of the Merchantpas group had been completed on the first day of the financial year, it would have contributed EUR 9.4 million to Group revenues for the year and EUR 0.4 million to Group loss.

Paymentology Limited and its subsidiary, or the Paymentology group

On 26 February 2021, the Group acquired 100 per cent of the issued share capital of Paymentology Limited and its subsidiary, obtaining control of Paymentology Limited domiciled in the United Kingdom and Paymentology (SGP) PTE Ltd. domiciled in Singapore ("the Paymentology group").

The Paymentology group is a processing platform facilitating payments for program managers and digital banks across the globe and qualifies as a business as defined in IFRS 3. The Paymentology group was acquired so that the Group would own an in-house issuing platform to strengthen its acceptance capabilities and to begin building its issuing business.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	EUR 000's
Financial assets	1,020
Inventory	1
Property, plant and equipment	41
Identifiable intangible assets	3,353
Financial liabilities	(2,142)
Other liabilities	(1,378)
Deferred tax on identifiable intangible assets	(682)
Total identifiable assets acquired and liabilities assumed	214
Goodwill	37,774
Total consideration	37,988
Satisfied by:	
Cash	37,988
Total consideration transferred	37,988
Net cash outflow on acquisition:	
Cash consideration	37,988
Less: cash and cash equivalent balances acquired	(414)
	37,574

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The fair value of financial assets includes trade receivables of EUR 0.6 million and cash and cash equivalents of EUR 0.4 million. The best estimate at acquisition date is that all contractual cash flows will be collected. The fair value of financial liabilities includes trade payables of EUR 2.1 million.

The identifiable intangible assets include customer relationships of EUR 1.1 million, software of EUR 1.9 million and brand of EUR 0.4 million. The goodwill of EUR 37.8 million arising from the acquisition consists of the acquired workforce, the premium the Group placed on entering the issuing business and benefits of expected synergies specific to the Group. None of the goodwill is expected to be deductible for income tax purposes.

The Paymentology group contributed EUR 2.1 million revenue and EUR 3.7 million to the Group's loss for the period between the date of acquisition and the reporting date.

If the acquisition of the Paymentology group had been completed on the first day of the financial year, it would have contributed EUR 2.4 million to Group revenues for the year and EUR 3.8 million to Group loss.

International Tutuka Holdings Limited and its subsidiaries, or the Tutuka group

On 16 July 2021, the Group acquired 100 per cent of the issued share capital of International Tutuka Holdings Limited and its subsidiaries, obtaining control of International Tutuka Holdings Limited domiciled in Mauritius, Tutuka Software Proprietary Limited domiciled in South Africa, Tutuka International DMCC domiciled in United Arab Emirates, Flexpay Proprietary Limited domiciled in South Africa and K2019135490 Proprietary Limited domiciled in South Africa ("the Tutuka group").

The Tutuka group is a third-party processor integrating mobile payments with the global card scheme infrastructure offering services including closed loop wallets to issue virtual, physical and tokenised cards linked to the store of value; prepaid cards issuing for banks, micro financiers, remittance providers, retailers and corporates; and QR-code, tokenised and other digital payments for banks, telcos and financial technology companies, without lengthy technical projects, specialist expertise or cumbersome security requirements, and qualifies as a business as defined in IFRS 3. The Tutuka group was acquired as to create a global scale in the Group's issuing business, to integrate with the earlier acquisition of another issuing platform (the Paymentology group), to strengthen the Group's existing presence in South Africa and for the executive team which Group management intended to integrate into the Group to lead the Group's issuing line of business.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

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	EUR 000's
Financial assets	7,327
Inventory	9
Property, plant and equipment	371
Other assets	73
Identifiable intangible assets	35,392
Financial liabilities	(8,948)
Other liabilities	(171)
Deferred tax assets	112
Deferred tax liabilities	(219)
Deferred tax on identifiable intangible assets	(9,499)
Total identifiable assets acquired and liabilities assumed	24,448
Goodwill	165,875
Total consideration	190,322
Satisfied by:	
Cash	49,081
Equity instruments (135,135 shares of the Company)	141,242
Total consideration transferred	190,322
Net cash outflow on acquisition:	
Cash consideration	49,081
Less: cash and cash equivalent balances acquired	(4,660)
	44,421

The fair value of financial assets includes trade receivables of EUR 2.7 million and cash and cash equivalents of EUR 4.7 million. The best estimate at acquisition date is that all contractual cash flows will be collected.

The fair value of financial liabilities includes trade payables of EUR 2.0 million and loans and borrowings of EUR 6.7 million. The fair value of other liabilities is comprised of lease liabilities and other provisions.

The identifiable intangible assets include software of EUR 25.5 million, customer relationships of EUR 9.6 million, and brand of EUR 0.3 million. The goodwill of EUR 165.9 million arising from the acquisition consists of the acquired workforce, the premium the Group placed quickly scaling its issuing business globally and benefits of expected synergies specific to the Group, particularly the integration with the Paymentology group. None of the goodwill is expected to be deductible for income tax purposes.

The fair value of the 135,135 non-voting ordinary shares issued as part of the consideration paid for International Tutuka Holdings Limited (EUR 141.2 million) was determined on the basis of the current market price for the shares, as determined by private equity sales to external investors.

The Tutuka group contributed EUR 8.6 million revenue and EUR 2.0 million to the Group's loss for the period between the date of acquisition and the reporting date.

If the acquisition of the Tutuka group had been completed on the first day of the financial year, it would have contributed EUR 17.0 million to Group revenues for the year and EUR 1.2 million to Group loss.

Switch S.A.

On 23 July 2021, the Group acquired 100 per cent of the issued share capital of Switch S.A., obtaining control of Switch S.A. domiciled in Portugal.

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Switch S.A. is a payments-platform-as-a-service company whose platform receives both e-commerce and terminal transactions and qualifies as a business as defined in IFRS 3. Switch S.A. was acquired because of the software it has developed, which the Group planned to integrate into a core part of its infrastructure. Switch S.A. was also acquired for the strong technical team it employed, who had vast experience in quickly integrating alternative payment methods to allow the Group to more easily penetrate markets.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	EUR 000's
Financial assets	1,936
Inventory	-
Property, plant and equipment	77
Other assets	573
Identifiable intangible assets	7,120
Financial liabilities	(1,518)
Other liabilities	(594)
Deferred tax liabilities on identifiable intangible assets	(1,602)
Total identifiable assets acquired and liabilities assumed	5,993
Goodwill	17,792
Total consideration	23,785
Satisfied by:	
Cash	12,712
Equity instruments (3,611 shares of the Company)	3,736
Contingent cash arrangement	7,336
Total consideration transferred	23,785
Net cash outflow on acquisition:	
Cash consideration	12,712
Less: cash and cash equivalent balances acquired	(1,696)
	11,016

The fair value of financial assets includes trade receivables of EUR 0.2 million and cash and cash equivalents of EUR 1.7 million. The best estimate at acquisition date is that all contractual cash flows will be collected. The fair value of other assets includes right-of-use assets of EUR 0.6 million.

The fair value of financial liabilities includes trade payables of EUR 0.5 million and loans of EUR 1.0 million. The fair value of other liabilities includes lease liabilities of EUR 0.6 million.

The identifiable intangible assets include customer relationships of EUR 2.1 million, software of EUR 4.9 million and brand of EUR 0.1 million. The goodwill of EUR 17.8 million arising from the acquisition consists of the acquired workforce and benefits of expected synergies specific to the Group. None of the goodwill is expected to be deductible for income tax purposes.

The fair value of the 3,611 non-voting ordinary shares issued as part of the consideration paid for Switch S.A. (EUR 3.7 million) was determined on the basis of the current market price for the shares, as determined by private equity sales to external investors.

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The contingent cash consideration arrangement requires the sellers to remain active in the Group's activities and achieve certain performance metrics to improve Switch S.A.'s software by 31 December 2022. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is EUR 7.3 million.

Switch S.A. contributed EUR 1.0 million revenue and EUR 1.1 million to the Group's loss or the period between the date of acquisition and the reporting date.

If the acquisition of Switch S.A. had been completed on the first day of the financial year, it would have contributed EUR 2.0 million to Group revenues for the year and EUR 1.2 million to Group loss.

RMS Holdco Limited and its subsidiaries, or the Retail Merchant Services group

On 1 December 2021, the Group acquired 100 per cent of the issued share capital of RMS Holdco Limited and its subsidiaries, obtaining control of RMS Holdco Limited, Retail Merchant Finance Ltd., Retail Merchant Group Ltd. and Retail Merchant Services Ltd., all domiciled in the United Kingdom ("the Retail Merchant Services group" or "the RMS group").

The Retail Merchant Services group is an independent sales organisation ("ISO") that sells card-acquiring services and other value-added services to merchants and qualifies as a business as defined in IFRS 3. The Retail Merchant Services group was acquired as an entry into the UK market and for its c.54,000 merchant relationships.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	EUR 000's
Financial assets	12,942
Property, plant and equipment	4,942
Other assets	4,542
Identifiable intangible assets	42,482
Deferred tax assets	610
Financial liabilities	(8,483)
Other liabilities	(41,163)
Deferred on identifiable intangible assets	(8,811)
Total identifiable assets acquired and liabilities assumed	7,062
Goodwill	229,475
Total consideration	236,537
Satisfied by:	
Cash	130,963
Equity instruments (61,526 shares of the Company)	105,574
Total consideration transferred	236,537
Net cash outflow on acquisition:	
Cash consideration	130,963
Less: cash and cash equivalent balances acquired	(7,033)
	123,930

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The fair value of financial assets includes trade receivables of EUR 5.9 million and cash and cash equivalents of EUR 7.0 million. The best estimate at acquisition date is that all contractual cash flows will be collected. The fair value of other assets includes right-of-use assets of EUR 4.5 million.

The fair value of financial liabilities includes trade payables of EUR 8.5 million. The fair value of other liabilities includes lease liabilities of EUR 5.1 million and other liabilities of EUR 36.1 million.

The identifiable intangible assets include customer relationships of EUR 36.2 million, software of EUR 5.4 million and brand of EUR 0.9 million. The goodwill of EUR 229.5 million arising from the acquisition consists of the acquired workforce, the premium the Group placed on a quick entrance into the UK market and benefits of expected synergies specific to the Group. None of the goodwill is expected to be deductible for income tax purposes.

The fair value of the 61,526 non-voting ordinary shares issued as part of the consideration paid for the Retail Merchant Services group (EUR 105.6 million) was determined on the basis of the current market price for the shares, as determined by private equity sales to external investors.

The Retail Merchant Services group contributed EUR 4.0 million revenue and EUR 4.5 million to the Group's loss for the period between the date of acquisition and the reporting date.

If the acquisition of the Retail Merchant Services group had been completed on the first day of the financial year, it would have contributed EUR 41.2 million to Group revenues for the year and EUR 3.3 million to Group loss.

Five Galaxies International Ltd. and its subsidiaries, or the Loyverse group

On 17 December 2021, the Group acquired 100 per cent of the issued share capital of Five Galaxies International Ltd. and its subsidiaries, obtaining control of Five Galaxies International Ltd., Cavius International Ltd. and Five Galaxies Software Ltd., all domiciled in Cyprus ("the Loyverse group").

The Loyverse group is a financial SaaS company offering point of sale and inventory management software, easily downloadable from Apple or Android stores, that turns a smartphone, tablet or traditional POS device into a business management tool with performance analytics and qualifies as a business as defined in IFRS 3. The Loyverse group was acquired because of the software it has developed and the patents it holds and for its c.134,000 merchant relationships.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

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	EUR 000's
Financial assets	1,038
Property, plant and equipment	24
Identifiable intangible assets	7,790
Financial liabilities	(425)
Deferred tax on identifiable intangible assets	(692)
Total identifiable assets acquired and liabilities assumed	7,735
Goodwill	24,027
Total consideration	31,761
Satisfied by:	
Cash	15,881
Equity instruments (4,633 shares of the Company)	7,940
Deferred cash payment	7,940
Total consideration transferred	31,761
Net cash outflow on acquisition:	
Cash consideration	15,881
Less: cash and cash equivalent balances acquired	(942)
	14,938

The fair value of the financial assets includes trade receivables of EUR 0.1 million and cash and cash equivalents of EUR 0.9 million. The best estimate at acquisition date is that all contractual cash flows will be collected. Financial liabilities are comprised of trade and other payables.

The identifiable intangible assets include software of EUR 6.8 million, customer relationships of EUR 0.9 million and brand of EUR 0.1 million. The goodwill of EUR 24.0 million arising from the acquisition consists of the acquired workforce and benefits of expected synergies specific to the Group. None of the goodwill is expected to be deductible for income tax purposes.

The fair value of the 4,633 non-voting ordinary shares issued as part of the consideration paid for the Loyverse group (EUR 7.9 million) was determined on the basis of the current market price for the shares, as determined by private equity sales to external investors.

The deferred cash consideration arrangement vests over two years and requires the seller to remain acting as a consultant to the Group through the second anniversary of the acquisition date. The potential undiscounted amount of all future payments that the Group could be required to make under the deferred consideration arrangement is EUR 7.9 million.

The Loyverse group contributed EUR 0.1 million revenue and EUR 9k to the Group's profit for the period between the date of acquisition and the reporting date.

If the acquisition of the Loyverse group had been completed on the first day of the financial year, it would have contributed EUR 2.3 million to Group revenues for the year and EUR 0.3 million to Group loss.

Yoyo group

On 17 September 2020, the Group and its controlling shareholder, SPG Holdings Ltd., acquired 65.33 per cent of the issued share capital of the Yoyo group, domiciled in South Africa, Mauritius and the

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United Kingdom. The Group acquired 1.33 per cent of the issued share capital directly and the remainder was acquired by SPG Holdings Ltd. The Group has evaluated that this qualifies as a business combination under common control and the entities within the Yoyo group qualify as subsidiaries of the Group, as discussed in note 4. Individual legal entities comprising the Yoyo group are also disclosed in 'Control of Yoyo group' in note 4.

The Yoyo group is a group of financial SaaS companies offering loyalty programs and software to merchants and qualifies as a business as defined in IFRS 3. The Yoyo group was acquired because of the software it has developed, for the leadership of its executives which are to be incorporated into the Group and for its merchant relationships.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	EUR 000's
Financial assets	8,039
Inventory	3
Property, plant and equipment	1,296
Other assets	352
Identifiable intangible assets	3,446
Financial liabilities	(3,778)
Other liabilities	(6,280)
Deferred tax on identifiable intangible assets	(436)
Total identifiable assets acquired and liabilities assumed	2,642
Less: Non-controlling interest measured at fair value	153
Goodwill	33,700
Total consideration	36,189
Satisfied by:	
Cash	27,851
Shares from subsidiary	8,338
Total consideration transferred	36,189
Net cash outflow on acquisition:	
Cash consideration	27,851
Less: cash and cash equivalent balances acquired	(4,691)
	23,160

The fair value of the financial assets includes trade receivables of EUR 2.7 million, investments of EUR 1.0 million and cash and cash equivalents of EUR 4.7 million. The best estimate at acquisition date is that all contractual cash flows will be collected.

The fair value of the financial liabilities includes trade payables of EUR 2.8 million.

The identifiable intangible assets include software of EUR 3 million, customer relationships of EUR 0.3 million and brand of EUR 0.2 million. The goodwill of EUR 33.7 million arising from the acquisition consists of the acquired workforce and benefits of expected synergies specific to the Group. None of the goodwill is expected to be deductible for income tax purposes.

The Yoyo group contributed EUR 10.0 million to the Group's revenue and EUR 6 million to the Group's loss for the year.

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34. Other reserves

Other reserves relates to the equity transactions on the acquisition of additional interest in the subsidiaries SaltPay Portugal S.A. (originally acquired as Pagaqui), Storyous s.r.o and Yoyo group. These equity transactions are recognised whenever there is initial control of the subsidiaries and the Group performs subsequent investment increasing the interest in the company.

During 2020 the Group received full control of Pepper Payment Ltd. (parent company of Yoyo S.A. (Pty) Limited) from its controlling shareholder, recording an equity increase of EUR 17.5 million. The Group also increased its interest in Yoyo group from 62% to 63.5%, which reduced 'Other reserves' by EUR 1.2 million. The Group increased its interest in SaltPay Portugal S.A. from 51% to 90% and reduced 'Other reserves' by EUR 1.8 million.

During 2021 the Group increased its interest in Yoyo group from 63.5% to 93.8%, its interest in Storyous s.r.o. from 80% to 100% and its interest in SaltPay Portugal S.A. from 90% to 95.2%, which caused reductions of EUR 73.3 million, EUR 6.3 million and EUR 3.2 million, respectively, in 'Other reserves'.

35. Assets held for sale

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Assets classified as held for sale	3,723	-

The value of assets classified as held for sale is comprised of one asset: an office building owned by Group subsidiary SaltPay IIB hf. The Group is no longer continually using this asset and has made the asset available for immediate sale during 2021. The Group entered into a contract with an external party to be responsible for the sale of the property. It is being actively marketed and plans to locate a buyer have been initiated. The Group considers it highly probable that the sale will occur within 12 months at a price comparable to the fair value at which it is reported at 31 December 2021.

As part of classifying the asset for sale, the Group assessed the likely selling price and the estimated fair value of the property to be sold and recognised an impairment loss of EUR 0.5 million.

36. Contingent liabilities

The Group's lawyers have advised that they do not consider that any claims against the Group are material or can have material impacts to the financial statements. For that reason, no provision has been made in these financial statements as the Group's management does not consider there to be any probable material losses arising from legal claims.

37. Share-based payments

The Group recognised total expenses of EUR 10.6 million and EUR 0.1 million related to equity-settled share-based payment transactions in 2021 and 2020 respectively.

Equity-settled share option plans

The Company has a universal share option plan for all employees of the Group. This plan was adopted during the year, effective 1 November 2021. In accordance with the terms of the universal plan, as approved by the Board of Directors at a previous meeting, all employees are granted options to purchase ordinary shares upon the start of their employment with any Group company. The number of options granted is standardised for all employees, as approved by the Board of Directors.

The Company also has a discretionary share option plan for select employees of the Group. This plan was adopted on 2 October 2020 and amended and restated on 30 June 2021. In accordance with the terms of the discretionary plan, as approved by the Board of Directors at a previous meeting, employees may be granted options to purchase ordinary shares based on their performance.

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The number of discretionary options granted is calculated in accordance with the performance-based formula approved by the Board of Directors and is subject to approval by the remuneration committee. The formula rewards employees to the extent of the Group's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial and customer service measures:

- improvement in share price
- improvement in net profit
- improvement in return to shareholders
- results of client satisfaction surveys
- reduction in rate of staff turnover

Each employee share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised from the date of vesting to the date of their expiry only in the event of a liquidity event.

Options are exercisable at a price stated on the date of grant. The vesting period varies, depending on the plan. All options under the universal plan vest over five years. Options under the discretionary plan vest over a period between four and seven years and vesting is based on both performance- and time-related criteria. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

The Group recognises and measures share-based payment expense under the share option plans on the basis of a reasonable allocation of the total expense recognised under the plans. Allocation of the expense to individual Group companies is based on employment status of the employee receiving the option. Expense associated with options granted to employees of the Company is recognised by the Company. Expense associated with options granted to employees of the Company's subsidiaries is recognised by each subsidiary.

	31/12/2021		31/12/2020	
	Number	Weighted average exercise price (in EUR)	Number	Weighted average exercise price (in EUR)
Outstanding at beginning of year	-	-	-	-
Granted during the year	64,985	0.01	-	-
Forfeited during the year	12,310	0.01	-	-
Exercised during the year	3,333	0.01	-	-
Expired during the year	1,135	0.01	-	-
Outstanding at the end of the year	48,207	0.01	-	-
Exercisable at the end of the year	25,963	0.01	-	-

Options were granted on various dates, with the majority of grants on 1 November 2021, the day the universal equity-settled share option plan was implemented. The weighted average grant date fair value of options granted during the year was EUR 381.34, and the aggregate of the estimated fair value of options on their grant date was EUR 24.8 million. The aggregate of the estimated fair value of the 30,431 options vesting during the year was EUR 2.8 million.

In addition to the 25,963 options which were exercisable at the end of the year, another 22,244 equity awards were expected to vest, for a total number of equity awards vested and expected to vest at 31 December 2021 of 48,207. Unamortised option expense at 31 December 2021 was EUR 19.3 million, which is expected to be recognised over a weighted average remaining recognition period of 4.654 years.

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Options outstanding at 31 December 2021 had a weighted average exercise price of EUR 0.01 and a weighted average remaining contractual life of 9.021 years. Options exercisable at 31 December 2021 had a weighted average exercise price of EUR 0.01 and a weighted average remaining contractual life of 8.753 years.

The inputs into the Black-Scholes model are as follows. Options are granted with an exercise price quoted in United States Dollars ("USD"), so the Black-Scholes model inputs are also in USD where necessary and the output is converted into the Group's reporting currency of EUR at market exchange rates.

	31/12/2021
Weighted average grant date share price (as granted)	\$ 450.95
Weighted average grant date share price (Group reporting currency)	€ 381.34
Weighted average exercise price (as granted)	\$ 0.01
Weighted average exercise price (Group reporting currency)	€ 0.01
Expected volatility	48.86%
Expected dividend yields	0.00%
Risk-free rate	0.67%
Expected life (in years)	5.78

Joint share ownership plan

The Company has a joint share ownership plan for select employees within the Group. This plan was adopted on 2 October 2020 and amended and restated on 30 June 2021. In accordance with the terms of the plan, as approved by the Board of Directors at a previous meeting, employees may be granted joint interest in shares of the Company based on their performance. The employee's joint interest in the shares vests over a period between four and seven years and is based on both performance- and time-related criteria.

The number of shares in which joint interest is granted is calculated in accordance with the performance-based formula approved by the Board of Directors and is subject to approval by the remuneration committee. The formula rewards employees to the extent of the Group's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial and customer service measures:

- improvement in share price
- improvement in net profit
- improvement in return to shareholders
- results of client satisfaction surveys
- reduction in rate of staff turnover

The Group recognises and measures share-based payment expense under the joint share ownership plan on the basis of a reasonable allocation of the total expense recognised under the plan. Allocation of the expense to individual Group companies is based on employment status of the employee receiving the joint interest. Expense associated with joint interest granted to employees of the Company is recognised by the Company. Expense associated with joint interest granted to employees of the Company's subsidiaries is recognised by each subsidiary.

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Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

	31/12/2021	31/12/2020
Outstanding at beginning of year	61,314	-
Issued during the year	1	79,251
Forfeited during the year	5,560	-
Vested during the year	13,921	17,937
Expired during the year	5,540	-
Outstanding at the end of the year	36,294	61,314

Employee share option plan of a subsidiary acquired in the current year

The Retail Merchant Services group had a share option plan for its executives and senior employees at the time of its acquisition by the Group. The outstanding share options were replaced by shares in the Company's equity-settled option plan.

38. Retirement benefit plans

Defined contribution plans

The Group operates defined contribution retirement benefit plans for all qualifying employees, including directors who are qualifying employees. The assets of the plans are held separately from those of the Group in funds under the control of trustees.

39. Financial instruments

Classes and categories of financial instruments and their fair values

Financial assets and liabilities are measured on an ongoing basis either at fair value or at amortised cost. The accounting policies in note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

Fair value hierarchy levels 1 to 3 are 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).

The following methods and assumptions have been applied in determining fair value:

- The carrying amount of cash and bank balances are assumed to equate to fair value. Balances are held at amortised cost. Balances would be considered as a Level 1 item within the hierarchy for fair value disclosures.
- The carrying amount of loans and advances to credit institutions with a maturity of under 12 months is assumed to equate to their fair value. Balances would be considered as a Level 2 item within the hierarchy for fair value disclosures.
- Debt securities are measured at fair value by reference to market prices, with balances considered as a Level 1 item within the hierarchy for fair value disclosures.
- The carrying amount of customer accounts represents the estimated future cash flows expected to be paid after taking account of expected loss provisions. Balances are expected to be paid

Salt Pay Co Ltd.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

within 12 months and the carrying amount is assumed to equate their fair value. Balances would be considered as a Level 2 item.

- v) The fair value of loans and advances to customers represents the discounted amount of estimated future cash flows expected to be received after taking account of expected loss provisions, expected levels of early repayment and discounting at current market rates. Balances would be considered as a Level 3 item within the hierarchy for fair value disclosures.
- vi) The fair value of loans and advances to subsidiaries at a variable rate is considered to be their carrying amounts with the use of transfer pricing mechanisms. Balances would be considered as a Level 3 item within the hierarchy for fair value disclosures.
- vii) The fair value of loans from subsidiaries is considered to be their carrying value as the loan is repayable on demand. Balances would be considered as a Level 3 item for fair value disclosures.
- viii) The fair values of amounts owed to credit institutions and amounts owed to other customers are considered to be the amount payable at the date of the statement of financial position. Balances are held at amortised cost and would be considered as a Level 2 item within the hierarchy for fair value.
- ix) The fair values of debt securities in issue and subscribed capital are obtained from market prices. Balances are held at amortised cost and would be considered as a Level 1 item within the hierarchy for fair value.

	31/12/2021			31/12/2020		
	Book Value	Fair Value	Hierarchy Level	Book Value	Fair Value	Hierarchy Level
	EUR 000's	EUR 000's		EUR 000's	EUR 000's	
Financial assets						
Loans receivable from related parties	-	-	Level 3	6,447	6,447	Level 3
Investments in financial assets	20,452	20,452	Level 1	30,003	30,003	Level 1
Trade and other receivables	61,267	61,267	Level 2	50,343	50,343	Level 2
Cash and bank balances	524,200	524,200	Level 1	142,150	142,150	Level 1
	605,919	605,919		228,943	228,943	
Financial liabilities						
Trade and other payables	81,970	81,970	Level 2	94,133	94,133	Level 2
Lease liabilities	10,814	10,814	Level 2	1,313	1,313	Level 2
Borrowings	12,176	12,176	Level 2	1,757	1,757	Level 2
Other financial liabilities	16,639	16,639	Level 2	11,759	11,759	Level 2
	121,599	121,599		108,962	108,962	

The table below analyses the financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Salt Pay Co Ltd.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

At December 2021	Less than one year EUR 000's	Between 1 and 2 years EUR 000's	Between 2 and 5 years EUR 000's	Over 5 years EUR 000's
Trade and other payables	81,970	-	-	-
Lease liabilities	4,726	3,256	2,724	108
Borrowings	11,564	352	260	-
Other liabilities	8,046	8,384	500	-
	106,306	11,992	3,485	108

At December 2020	Less than one year EUR 000's	Between 1 and 2 years EUR 000's	Between 2 and 5 years EUR 000's	Over 5 years EUR 000's
Trade and other payables	94,133	-	-	-
Lease liabilities	321	377	616	-
Borrowings	730	319	708	-
Other liabilities	11,752	77	-	-
	106,935	773	1,324	-

40. Related party transactions

Balances and transactions between the Company and its subsidiaries or between two subsidiaries within the Group, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Sales of goods to related parties were made at the Group's usual list prices. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Loans with related parties

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Loans to controlling shareholder:		
SPG Holdings Ltd.	-	6,447

The Company issued a loan of US\$7.93 million to its majority shareholder, Salt Partners Ltd., on 27 January 2020. Subsequent to the issuance of the loan, Salt Partners Ltd. formally changed its legal name to SPG Holdings Ltd. The loan had a maturity date of 48 months and is reported as a noncurrent asset in the prior year. SPG Holdings Ltd. repaid the loan during 2021, ahead of the maturity date. The loan arrangement allowed for early repayment with no prepayment penalty or premium of any kind. Interest accrued per annum at LIBOR until the date of repayment.

Payments to related parties

On 20 December 2020, the Group entered into a service agreement with Gênova Consultoria e Participações Ltda., an entity controlled by two directors of the Group (Mr. André Street de Aguiar and Mr. Eduardo Cunha Monnerat Solon de Pontes) for certain consulting and management services. The agreement has an initial term of three years with termination in December 2023.

Salt Pay Co Ltd.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

The Group paid EUR 0.9 million and EUR 0.8 million to Gênova Consultoria e Participações Ltda. under this agreement during the years ended 31 December 2021 and 2020, respectively.

41. Events after the reporting period

In addition to the aspects disclosed in the other notes and according to the accounting policy IAS 10, the following events occurred after the date of the financial statements and until the date of their approval:

Acquisitions and other investments

The Group has made the following investments during 2022:

Name of Company	Date	Percentage of Ownership	Type of Transaction
Salescloud Ehf.	Jan-22	12.10%	Minority Investment (0% to 20%)
Weasy – Web Made Easy, Lda.	Jan-22	100%	Control (higher than 50%)
DineOut Ehf.	Feb-22	20%	Associate (20% to 50%)
Namastay SAS	Feb-22	5-15%	Minority Investment (0% to 20%)
Odeal Odeme Kurulusu A.S	Feb-22	9.94%	Minority Investment (0% to 20%)
Salt Pay UK Ltd.	Feb-22	100%	Incorporation
Salt Pay NL B.V	Mar-22	100%	Incorporation
Flow Money Automation B.V.	Mar-22	10%	Minority Investment (0 to 20%)
GSTM Products Limited	Jun-22	100%	Incorporation
MeaWallet AS	Jun-22	50.84%	Control (higher than 50%)
Salt Pay Italy S.R.L	Jun-22	100%	Incorporation
Noona Labs ehf., formerly Timatal Ehf.	Jul-22	27%	Increased Investment in Associate
Fanbase Technology Limited	Aug-22	20%	Associate (20% to 50%)
Five Galaxies Commerce Ltd.	Aug-22	100%	Incorporation
Salt Sport Ltd.	Aug-22	60%	Incorporation of Joint Venture
SO Connect Group B.V	Aug-22	100%	Control (higher than 50%)
Yoyo Wallet Ltd.	Sep-22	100%	Increased Investment in Subsidiary
Oly Faunt Limited	Oct-22	50%	Incorporation of Joint Venture
A-heads Consulting, SIA	Nov-22	100%	Control (higher than 50%)
MeaWallet AS	Nov-22	100%	Increased Investment in Subsidiary
Stamp B.V	Nov-22	100%	Control (higher than 50%)
Bookham Services Ltd.	Dec-22	100%	Control (higher than 50%)
Odeal Odeme Kurulusu A.S	Dec-22	25%	Increased Investment in Associate

On 19 January 2022, the Group completed an agreement to acquire 100% of the ordinary shares of Weasy – Web Made Easy, Lda ("Weasy"). Weasy is an easy-to-use website builder and e-commerce store based in Portugal, which provides features and integrations that are complementary to the Group's online offering. Following the acquisition, the Group integrated Weasy into its existing Portuguese subsidiaries, merging Weasy into Switch S.A. on 2 September 2022.

On 14 June 2022, the Group exercised its option to subscribe and purchase additional voting shares so that it would hold 50.84% of the ordinary shares of MeaWallet AS. MeaWallet AS is a digital payments enabler which provides card tokenisation and contactless payment acceptance services. Following the acquisition, MeaWallet AS has continued to operate as a separate brand within the Group.

Salt Pay Co Ltd.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

Subsequent to the initial acquisition, the Group entered into an agreement to acquire the remaining percentage of the ordinary shares of MeaWallet AS via secondary sale on 11 November 2022.

On 17 August 2022, the Group completed an agreement to acquire 100% of the ordinary shares of SO Connect Group B.V. ("SO Connect"). SO Connect is a developer of online visibility tools designed for local businesses to manage their online presence across multiple online platforms from a single dashboard. Following the acquisition, SO Connect has continued to operate as a separate brand within the Group.

On 3 November 2022, the Group completed an agreement to acquire 100% of the ordinary shares of A-Heads Consulting, SIA ("A-Heads"). A-Heads is a software development company with strong tech leadership and strong engineering talent and acquiring this business allowed the Group to accelerate its tech hiring via an acquihire of A-Heads' engineers. Following the acquisition, A-Heads' consultants are becoming employees of the Group and have begun work on projects throughout the Group.

Between 17 August 2022 and 23 August 2022, the Group entered into multiple agreements with the individual shareholders of Stamp B.V. to increase its shareholding in the company to own 100% of the ordinary shares of Stamp B.V. Local authorities approved the transaction on 7 November 2022, which was a required condition for the Group to take control of the subsidiary. Stamp B.V. is a developer of tax-free shopping solutions which allows merchants to offer VAT exemptions for customers at the point of sale. Following the acquisition, Stamp B.V. has continued to operate as a separate brand within the Group.

On 7 December 2022, the Group completed an agreement to acquire 100% of the ordinary shares of Bookham Services Ltd ("Bookham"). Bookham is a developer of a cloud platform which allows clients to quickly launch credit products and lending solutions. Following the acquisition, Bookham has continued to operate as a separate brand within the Group.

For all the above acquisitions completed during 2022, the initial accounting for the acquisition and purchase price allocation were not complete at the time of issuance of these financial statements.

Sale of asset held for sale

In January 2022, the Group completed the sale of its asset held for sale disclosed in note 35 for EUR 3.7 million.

Impacts of war between Ukraine and Russia

Starting in February 2022, significant geopolitical uncertainty has arisen, due to Russia's invasion of Ukraine and the resulting Russia-Ukraine war and sanctions introduced on certain Russian banks, industries and individuals.

The Group does not have significant presence in Russia or Ukraine or neighbouring countries, does not rely on business operations in the area, does not operate in Russian or Ukrainian currency, has no reliance on Russian or Ukrainian banking systems or capital markets which may be subject to disruption or sanctions, and has no dependence on suppliers or operations in regions affected by the war.

Despite the Group's lack of business operations in the region, the war and sanctions resulting from it have caused a broad disruption on supply chains, financial markets and macroeconomic conditions worldwide. Products such as precious metals and oil have been particularly affected, facing shortages and significant price increases. Group management recognises that this will have an impact on the economic recovery in markets in which the Company and its subsidiaries operate. Europe has already been experiencing inflationary pressures, which were further exacerbated by the situation in Russia. Although the Group has no direct exposure to Russian banks, industries, corporations, companies or individuals, the increased rate of inflation will impact the Group's customer base from a higher cost of living and will likely lead to a shift in spending patterns. Early signs show minimal financial impact to the Group, and the Group has not experienced material impacts on its business as a result of the ongoing war.

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Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

Impacts of COVID-19

During 2022, the world, inclusive of the Group's business, has continued to return to regular standards of functionality and normality, with further relaxation of travel restrictions and without significant confinements or countries that have closed due to the pandemic. The Group has experienced no material impacts on its business as a result of COVID-19 since 31 December 2021 through the issuance date of these financial statements.

Subsidiaries and associates

Throughout 2022, the Group changed the legal names of multiple subsidiaries within the Group structure:

- B-Payment d.o.o. legally changed its name to Salt Pay Croatia d.o.o.
- Amole Ltd. legally changed its name to Rocksalt Ventures Ltd.
- Tutuka International DMCC legally changed its name to Paymentology International DMCC.
- International Tutuka Holdings Limited legally changed its name to Paymentology International Holdings Limited.
- Tutuka Software Pty Limited legally changed its name to Paymentology Software Pty Limited.
- B-Payment Zrt. legally changed its name to Salt Hungary Zrt.
- SaltPay Portugal S.A. legally changed its name to Pagaqui, S.A.

On 1 July 2022, the Group merged B-Payment s.r.o. and Poscom CZ s.r.o. into Storyous s.r.o. and legally changed the name of the surviving entity to Salt Pay Czech Republic s.r.o. The merger is effective as of 1 January 2022.

On 1 September 2022, the Group initiated a simplified liquidation process to dissolve Group subsidiary Salt Pay Hungary Kft. by submitting a request to do so to the Hungarian tax authority. Under Hungary company law, the simplified liquidation process requires a company to inform its partners and settle all open loans and payables within 150 days of the submission and does not require the appointment of a liquidator. At the date of the issuance of these financial statements, the process is substantially completed, and the Group is awaiting the final approval from the Hungarian tax authority. Open contracts held by Salt Pay Hungary Kft. were transferred to another Group subsidiary, Salt Hungary Zrt. (formerly B-Payment Hungary Zrt.), and there is no impact to the Group as a whole from the movement of these contracts. The liquidation of Salt Pay Hungary Kft. is not expected to have a material impact on the Group's consolidated financial statements for the year ended 31 December 2022 or thereafter.

On 2 September 2022, the Group merged Weasy – Web Made Easy, Lda, which was acquired by the Group as a subsequent event noted in the 'Acquisitions and other investments' section of this note, into Switch S.A. The merger is effective as of 1 January 2022.

On 20 November 2022, the government of South Africa deregistered Salt Pay Istari (Pty) Limited, effective 1 November 2022, completing the Group's liquidation of that subsidiary. Salt Pay Istari (Pty) Limited has been a mostly dormant entity throughout 2021 and did not contribute materially to the Group's consolidated financial statements for the year ended 31 December 2021. The liquidation of Salt Pay Istari (Pty) Limited is not expected to have a material impact on the Group's consolidated financial statements for the year ended 31 December 2022. Upon liquidation, assets and liabilities held by Salt Pay Istari (Pty) Limited were transferred and assigned to the Company as its direct parent.

In December 2022, the Group initiated the process to dissolve Group subsidiary Pepper Payment 1 Ltd. by appointing a liquidator. At the date of the issuance of these financial statements, the process is in the very early stage and little detail regarding the liquidation is available at this time. Pepper Payment 1 Ltd. acts as a holding company within the Group. The subsidiary holds issued share capital in other Group subsidiaries, generates no revenue and incurs few expenses. The share capital that Pepper Payment 1 Ltd. holds in other Group subsidiaries was transferred within the Group to the Company on 22 December 2022, having no effect on the consolidated Group structure. Pepper Payment 1 Ltd. did not contribute materially to the Group's consolidated financial statements for the year ended 31 December 2021 and the liquidation of Pepper Payment 1 Ltd. is not expected to have a material impact on the Group's consolidated financial statements for the year ended 31 December 2022 or thereafter.

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Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

There has been no other event that materially impacted the Company, its subsidiaries or its associates since 31 December 2021 through the issuance date of these financial statements.

Contingent liabilities or commitments

The Group does not have material contingent liabilities or commitments since 31 December 2021 through the issuance date of these financial statements. The Group's management, together with its legal team, has also analysed potential legal occurrences that could negatively impact the Group and has concluded that no such occurrences should be disclosed at this time.

Unusual adjustments or transactions

The Group has not made any unusual adjustments or transactions since 31 December 2021 through the issuance date of these financial statements.

There are no other events after the reporting period that require disclosure in these financial statements.


Salt Pay Co Ltd.**Parent Company Statement of Financial Position**

For the year ended 31 December 2021

	Notes	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Non-current assets			
Investments in subsidiaries	S3	784,334	48,328
Investments in financial assets	S3	-	13,476
Loans receivable from related parties	S4	-	6,447
Loans receivable from subsidiaries	S4	38,448	3,185
Current assets			
Inventories		21	19
Trade and other receivables	S5	3,137	-
Cash and bank balances		443,661	95,486
Total assets		1,269,601	166,941
Current liabilities			
Trade and other payables	S6	6,565	1,343
Short-term payables to subsidiaries	S7	3,706	-
Other financial liabilities	S6	7,364	-
Net current assets		429,184	94,162
Non-current liabilities			
Long-term payables to related parties		82	75
Total liabilities		17,717	1,418
Net assets		1,251,884	165,524
Equity			
Share capital	S8	1,315,098	178,183
Share-based compensation reserve	S8	259	-
Retained earnings	S8	(4,147)	-
Current year earnings	S2	(94,132)	(4,147)
Translation difference		34,807	(8,512)
Total equity		1,251,885	165,524
Equity attributable to owners of the Company		1,251,885	165,524
Non-controlling interests		-	-

The notes on p. 112 to 115 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 6 March 2023. They were signed on its behalf by:

DocuSigned by:

 6ADB80255F05471...
 Ali Mazanderani
 Chairman of the Board
 6 March 2023

Salt Pay Co Ltd.

Parent Company Statement of Changes in Equity

For the year ended 31 December 2021

	Equity attributable to equity holders					
	Share capital	Translation difference	Share-based compensation reserve	Retained earnings	Attributable to owners	Non-controlling interest
	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's	EUR 000's
Balance at 1 January 2020	-	-	-	-	-	-
Loss for the year	-	-	-	(4,147)	(4,147)	(4,147)
Other comprehensive loss for the year	-	(8,512)	-	-	(8,512)	(8,512)
Total comprehensive loss for the year	-	(8,512)	-	(4,147)	(12,659)	(12,659)
Issue of share capital	178,183	-	-	-	178,183	178,183
Balance at 31 December 2020	178,183	(8,512)	-	(4,147)	165,524	165,524
Loss for the year	-	-	-	(94,132)	(94,132)	(94,132)
Other comprehensive loss for the year	-	43,319	-	-	43,319	43,319
Total comprehensive loss for the year	-	43,319	-	(94,132)	(50,813)	(50,813)
Issue of share capital	1,136,915	-	-	-	1,136,915	1,136,915
Credit to equity for equity-settled share-based payments	-	-	259	-	259	259
Balance at 31 December 2021	1,315,098	34,807	259	(98,279)	1,251,885	1,251,885

Share capital includes all the ordinary shares.

The notes on p. 112 to 115 form part of these financial statements.

Salt Pay Co Ltd.**Parent Company Statement of Cash Flows**

For the year ended 31 December 2021

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Loss for the year	(94,132)	(4,147)
Adjustments for:		
Finance income	(36)	(119)
Other gains and losses	8,516	-
Finance costs	9	-
Impairment of investment in subsidiaries	66,415	-
Share-based payment expense	259	-
Operating cash flows before movements in working capital	(18,969)	(4,266)
Decrease/(increase) in inventories	-	(21)
Decrease/(increase) in trade and other receivables	(3,005)	-
Increase/(decrease) in trade and other payables	8,439	1,530
Cash absorbed by operations	(13,535)	(2,757)
Income taxes paid		
Net cash used in operating activities	(13,535)	(2,757)
Interest received	36	119
Proceeds on financial investments	3,817	-
Purchases of financial investments	-	(13,156)
Acquisition of subsidiaries	(422,729)	(52,136)
Loans to subsidiaries and other related parties	(27,754)	(10,391)
Net cash used in investing activities	(446,630)	(75,564)
Interest paid	(9)	-
Proceeds on issue of shares	794,021	181,331
Net cash from financing activities	794,012	181,331
Net increase in cash and cash equivalents	333,847	103,010
Cash and cash equivalents at beginning of year	95,486	-
Effect of foreign exchange rate changes	14,328	(7,524)
Cash and cash equivalents at end of year	443,661	95,486

The notes on p. 112 to 115 form part of these financial statements.

Salt Pay Co Ltd.

Notes to the Parent Company Financial Statements

For the year ended 31 December 2021

S1. Significant accounting policies

The financial statements of Salt Pay Co Ltd., (the "Company" or the "Parent Company") have been prepared in accordance with the Companies Act 2006 and IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and as adopted by the United Kingdom. The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the IASB.

The accounting policies adopted for the Company are otherwise consistent with those used for the Group which are set out in note 3, with the addition of those included within the relevant notes below. As permitted by Section 408 of the Companies Act 2006, a profit or loss account of the Company is not presented as part of the financial statements.

Functional and presentational currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The functional currency of the Company is USD.

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The financial statements are presented in EUR, which is the Group's functional currency and presentation currency, and are rounded to the nearest thousand EUR.

Intra-Group transactions

Intercompany recharges

When the Company makes purchases on behalf of the Group, the cost is recharged proportionally to the other companies within the Group in line with the Group's transfer pricing policy. Recharges are determined based on headcount allocation or on actual usage, as appropriate for the particular purchase. Recharges may be at cost or at cost plus mark-up percentage based on the transfer pricing agreements between the Company and the Group entities.

Investments in subsidiaries

Investments in subsidiary companies are stated at cost, less any impairment. An impairment review is undertaken annually where impairment indicators exist.

Significant judgements and sources of estimation uncertainty

Recoverability and impairment of investments in subsidiaries

The Company conducts reviews of investments in subsidiaries annually for events or changes in circumstances which indicate that the carrying amounts of the investments may not be recoverable. When reviewing the investments, management considers performance of the subsidiary compared to forecasts and budgets, whether the subsidiary has met expectations since the previous review, significant changes to management or key personnel, and significant changes to the subsidiary's overall business strategy.

Management tests the investments for impairment on an annual basis if there are indications from its review that the carrying amounts may be impaired. The impairment analysis is based principally upon forecasts of discounted estimated future cash flows arising from the use and eventual disposal of the assets. Various assumptions are utilised as inputs, such as terminal value growth rates, inflation, the impact of local economic factors and the appropriate discount rate to apply. The rate for discounting

Salt Pay Co Ltd.

Notes to the Parent Company Financial Statements

For the year ended 31 December 2021

future cash flows is based on the Weighted Average Cost of Capital ("WACC") and has been derived and evaluated using a capital asset pricing model to calculate a rate that reflects current market assessments of the time value of money and the risk specific to the asset.

The key assumptions that are made in determining the budgets and forecasts vary between different investments. However, they typically include assumptions about the subsidiary's ability to win and retain work, particularly as existing contracts come to an end; the margins that will be achieved; and the subsidiary's ability to control its fixed cost base. In making those assumptions, management assesses current run-rates, adjusted for known wins and losses, and for expected changes in market conditions.

Using these assumptions, management establishes a fair value of the investment. There is a level of estimation uncertainty involved in the determination of fair value due to the reliance on inputs which cannot be reliably measured based on observable market data described above. If the carrying amount of the investment exceeds the fair value, the Company impairs the investment to its fair value. During the year, the Company has recognised EUR 66.4 million of impairment losses resulting from the impairment of its investment in Pepper Payment 1 Ltd. and Yoyo Wallet Ltd. (2020: EUR 0).

Significant judgement is required when determining the discount rate, and the valuation of investments is materially sensitive to the discount rates applied when calculating the fair value. The Company has used discount rates varying from 7.1% to 11.8%. The Company has performed a sensitivity analysis on all of its investment in subsidiaries, and an increase of 200 basis points in the discount rate used will result in an additional impairment charge of EUR 64.4 million to the current carrying value of EUR 784.3 million.

S2. Loss for the year

The Company has not presented its own Statement of profit or loss or Statement of total comprehensive income as permitted by section 408 of the Companies Act 2006.

Loss for the year and total comprehensive loss attributable to shareholders was EUR 94.1 million (2020: loss of EUR 4.1 million) and is derived from continuing operations.

S3. Investments

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Investment in subsidiaries	784,334	48,328
Investment in financial assets	-	13,476
	784,334	61,804

All of the Company's investments at both 31 December 2021 and 2020 are non-current.

'Investment in subsidiaries' consists of the Company's direct investment in the Group entities it owns and controls either directly or indirectly. The Company's policy on determining subsidiaries is set out in the 'Basis of consolidation' policy in note 3 and the Company's assessment of control over a subsidiary is set out in 'Control of subsidiaries and significant influence over associates' in note 4. Subsidiaries of the Company are listed in note 18.

'Investment in financial assets' consisted of the Company's minority investment in Five Stars Loyalty, Inc. At 31 December 2020, the Company held 5.56 per cent of the ordinary share capital of Five Stars Loyalty, Inc., a payments and marketing platform. Due to the low percentage of share capital owned by the Company and limited direct involvement by the Company in the investee's operations, the directors of the Company do not consider that the Company was able to exercise significant influence over Five Stars Loyalty, Inc. The Company sold its shares in the investee during 2021.

Salt Pay Co Ltd.**Notes to the Parent Company Financial Statements**

For the year ended 31 December 2021

S4. Loans receivable

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Loan receivable - intercompany	38,448	3,185
Loan receivable - related parties	-	6,447
	<u>38,448</u>	<u>9,632</u>

The loan issued by the Company to a related party is set out in greater detail in note 40.

S5. Trade and other receivables

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Trade and other receivables	3,137	-
	<u>3,137</u>	<u>-</u>

The balance of 'Trade and other receivables' includes EUR 3.1 million from an investor who purchased share capital in 2021 but for which payment did not occur until 2022. This receivable was subsequently fully settled in 2022.

S6. Trade and other payables

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Trade payables	5,858	1,343
Other payables	7,364	-
Accruals	706	-
	<u>13,928</u>	<u>1,343</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

'Other payables' is comprised of the contingent consideration balance of EUR 7.3 million owed by the Company at 31 December 2021 in relation to the acquisition of Switch S.A. Refer to note 33 for additional detail around this acquisition and the associated contingent consideration.

'Accruals' is comprised of the estimated unpaid audit fee related to the year ended 31 December 2021.

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

S7. Short-term payables to subsidiaries

	31/12/2021 EUR 000's	31/12/2020 EUR 000's
Short-term payables to subsidiaries	3,706	-
	<u>3,706</u>	<u>-</u>

Salt Pay Co Ltd.

Notes to the Parent Company Financial Statements

For the year ended 31 December 2021

The balance of 'Short-term payable to subsidiaries' includes EUR 3.1 million to APSE Internacional S.A. and EUR 0.6 million to Salt Pay Europe Ltd., both fully-owned subsidiaries of the Company. The payable to APSE Internacional S.A. is related to an equity increase which occurred in 2021 but for which payment did not occur until 2022. This payable was subsequently fully settled in 2022.

S8. Reserves

Share premium

Share premium represents the excess of the issue price, which is quoted in USD for all Company shares, over the par value on shares issued, less transaction costs arising on the issue. Share premium is reported within the 'Share capital' line in the equity section of the Statement of financial position. At 31 December 2021 the total amount reported as 'Share capital' includes par value of USD 46,662 (EUR 39,982) and share premium of USD 1,533,453,580 (EUR 1,315,098,350).

Share-based compensation reserve

Share-based compensation reserve represents the cumulative expense in relation to equity-settled awards (principally, options over its equity shares) granted to employees of the Group. Additional details of the share-based compensation reserve are in note 31. Full disclosure of the equity-settled share option plan and joint share ownership plan is provided in note 37.

The financial effect of equity-settled awards by the Company to employees of the Group are recognised by the Company in its individual financial statements. In particular, the Company records an increase in its investments in subsidiaries with a credit to equity equivalent to the expense for the equity-settled award recognised in the Group for such awards.

Allocation of the expense to individual Group companies is based on employment status of the employee receiving the award. Expense associated with awards granted to employees of the Company is recognised by the Company. Expense associated with awards granted to employees of the Company's subsidiaries is recognised by each subsidiary. There are no recharges to the Company's subsidiaries for such awards.

Retained earnings

The balance in retained earnings represent the distributable reserves of the standalone company, Salt Pay Co Ltd.