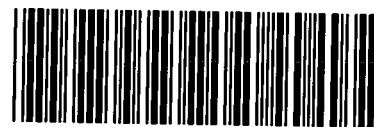




TRANSFERGO HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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TRANSFERGO HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J Lasevicius D Dvilinskas D Keras D F Nangle R A Lemmens R G Kidd V Mashkov
Company secretary	OHS Secretaries Limited
Registered number	09790070
Registered office	1a Old Street Yard White Collar Factory London England EC1Y 8AF
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

TRANSFERGO HOLDINGS LIMITED

CONTENTS

Group strategic report	4 - 6
Directors' report	7 - 11
Independent auditor's report	12 - 16
Consolidated profit and loss account	17
Consolidated statement of comprehensive income	18
Consolidated balance sheet	19
Company balance sheet	20
Consolidated statement of changes in equity	21 - 22
Company statement of changes in equity	23 - 24
Consolidated Statement of cash flows	25 - 26
Notes to the financial statements	27 - 48

TRANSFERGO HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors of TransferGo Holdings Limited (the Group and company) present the Strategic report for the year ended 31 December 2022. The Group changed its financial year end from June to December in 2021.

Fair review of the business

The 2022 financial year saw the Group continue its primary focus on online money transfers, opening additional channels, signing up more banking partners and developing the core software platform. Management have also reviewed other strategic options to monetize its intellectual property and banking infrastructure.

The Group is planning to continue to invest into new markets that would create significant revenue streams and contribute to existing operations.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The board review these risks and puts in place policies to mitigate them. The key business and financial risks are:

Compliance risk

The Group actively manages and monitors its obligations under the UK, European and Global anti money laundering directives. It also ensures its compliance under the FCA supervision regime and constantly updates standards for risk materiality, identifies and assess processes to ensure effective process application. The Group has implemented automated transaction monitoring rules, digital identity verification enabled by Veriff, automated screening for sanctions, PEP and adverse media enabled by RDC, fraud prevention controls, risk management framework and processes for regulatory reporting.

Foreign Exchange risk

The Group is exposed to Foreign Exchange risks due to remittances in multiple currencies across the operating countries. It might face potential loss or profit due to changes in the value of the bank's assets or liabilities resulting from exchange rate fluctuations.

Cybersecurity Risk

The Group monitors cybersecurity risk by keeping its electronic information private and safe from damage, misuse or theft. The access controls have been implemented ensuring that no permissions to access are granted unintentionally, strict password policy has been used.

Liquidity risk

The directors regularly monitor the financial information to ensure that any risks in this area are considered on a timely basis.

TRANSFERGO HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Employees

The directors understand the effect that the loss of key employees may have on the business and therefore provides / executes reviews of competitive remuneration packages to the Group employees.

Growth risk

The Group managed to double its growth in a year keeping the KPIs at the acceptable range. The main challenge is to keep the existing growth rate and lowering the costs while expanding further.

Brexit risk

The UK's decision to leave the European Union continues to generate a significant level of uncertainty in the economy. The directors regularly assess the likely effects on the Group revenue and profitability in an attempt to mitigate the risk as far as practicable.

Coronavirus risk

Further to the recent global outbreak of Coronavirus disease (COVID 19), the directors of the Group continue to assess the situation across key European markets and the potential risk to the operation of the business daily. At the time of signing of these accounts, there has been no notable impact on either the Revenue, Customers or Employees within TransferGo Group.

The directors have taken all necessary measures as advised by the NHS, WHO, the UK government and equivalent local authorities across all TransferGo offices, including promoting hygiene standards and providing facilities to enable this; and firmly insisting that all employees work from home.

TransferGo platform is entirely cloud based, and the service we provide is natively digital. We also believe that migrant remittances are a necessity good as it provides most recipients in home countries with lifeblood food, water, medicine and electricity. Historically, the demand for necessity goods doesn't decline much during the economic slowdown. In theory, it can even go up as people drop the luxuries.

The directors do not consider there to be a threat to the overall business in the case of outbreak related closures and lockdowns due to the nature of our service and operations. We are digital, we operate from the cloud, and we provide the necessary service irrespective of how good or bad the market conditions are. Besides, the Group has enough working capital and full financial support from its Shareholders.

Historically migrant remittances were the most resilient flows relative to other types of flows during various global economical/financial events and have become even more critical as a source of external financing in many developing countries. The directors believe that appropriate strategies have, and are being further developed, to ensure the Group can minimise the effect of any possible adverse developments which could affect the Group's profitability.

War in Ukraine

The outbreak of the war in Ukraine in March 2022 has not identified adverse effect on the Group's activities.

Development and performance

The Board is happy with the performance in 2022. Post year end, in March 2023, the Group's number of transactions for the month increased to six hundred and forty-eight thousand (an all-time high in the number of transactions per month). The Group intends to continue its international expansion to new territories as well as acquiring further customer growth in existing markets. The Group is also expanding its licenses in key markets.

TRANSFERGO HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Key performance indicators

The directors of the Group consider transactions, turnover and net profit (loss) to be the key measures of the Group's performance. The Group also tracks the cost of customer acquisition and marketing spend.

In the year end 31 December 2022:

- Total transactions have increased on average by 50%
- Turnover has reached £26.9 million (monthly average increased to £2.244 million compared to 2021 monthly average amounting to £1.872 million)
- Loss for the financial period of £14.3 million (*18 months period to 31 December 2021: £13.7 million*) was in line with the business plan. The loss was impacted by the investment in growing market share positions across key corridors with profitability expectations in the future and further development of the technology platform.

The Group's KPIs are considered satisfactory in light of the ongoing accelerated expansion into new markets. This report was approved by the board on 16/6/2023 and signed on its behalf.

Justinas Lasevicius

J Lasevicius
Director

TRANSFERGO HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company and Group continued to be that of monetary intermediation.

Results and dividends

The loss for the period, after taxation, amounted to £13,498,679 (*18 months period to 31 December 2021: loss £13,671,130*).

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year ended 31 December 2022 and subsequently were:

J Lasevicius
D Dvilinskas
D Keras
D F Nangle
R A Lemmens
R G Kidd
V Mashkov

TRANSFERGO HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report and Directors' Report/Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for the period. In preparing these financial statements, the directors are required to:

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

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

Future developments

Refer to the development and performance section above in the Strategic report.

Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks.

Section 172 Statement

Section 172(1) of the Companies Act 2006 requires a director of a company to act in a 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, and in doing so consider a range of factors set out in section 172(1)(a)-(f) in the Companies Act 2006. In reviewing our Section 172(1) duty we have considered each factor separately below:

Our customers

We have continued to enhance the range of payment corridors available to our UK and EU customers by opening new receive markets in Africa. We have also continued to expand the range of pay out options in existing markets.

TRANSFERGO HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Employees

We continually look to invest in our biggest asset, our people, in an effort to hire and retain exceptional talent throughout the business via focused teams and budget allocated to our recruitment efforts and employees' continuous learning and development.

We actively listen to our employees, via a semi annual "voice survey" which gives the executive team data on what is driving engagement and areas to work on to improve culture and performance. We communicate openly and frequently about the business objectives, its performance and future strategy, via monthly town hall meetings. We also host bi-monthly leadership team meetings with our Senior Management to provide even more in-depth information around business priorities and create a sense of alignment and accountability at all levels.

The need to foster business relationships with suppliers, customers and others

We maintain the highest level of integrity in all business relationships and only engage with partners that align to our values. We do this by undertaking a transparent procurement process to identify the best product or service which is in ours and our customers best interests.

The impact of the Group's operations on the community and the environment

The Company and the Group is committed to the environment with a dedicated focus group concentrating on the enhancement and development of environmentally practices. Each employee is provided with paid leave to complete community or charitable projects either in their local or wider community.

The desirability of the Company maintaining a reputation for high standards of business conduct

We place great importance on compliance, integrity and ethical behaviour. We ensure that we comply with all relevant regulations and require employees to undertake mandatory training at all levels and to confirm annually that all required training has been completed. The Group has regular engagement with regulators including the Bank of Lithuania and the Financial Conduct Authority including "Dear CEO" letters and regular reporting.

Likely consequence of any decision in the long term

All decisions taken by the executive team and the Board of Directors in the running of the business consider the various consequences to the stakeholder groups. This includes assessing the risks associated with each of the decisions and the interests that each stakeholder group holds.

The need to act fairly as between members of the company

The Company and the Group is committed to acting fairly with all members.

TRANSFERGO HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Streamlined energy and carbon reporting statement

The below statement contains TransferGo Group's annual energy consumption, associated relevant greenhouse gas emissions, and additional related information, as required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

We report our carbon emissions following the Greenhouse Gas Protocol, which incorporates the scope 2 market-based emission methodology. We report carbon dioxide emissions resulting from energy use in our buildings and employees' business travel.

In 2022, we collected data on business travel for 100% of our FTEs. We collected data on energy usage for our operations where we manage our facilities which accounted for approximately 65% of our FTEs. To estimate the emissions of our operations in countries where we have operational control and a presence, we scale up emissions data from 65% to 100%. For 2021 this was scaled up from 73% to 100%.

We then apply emission uplift rates to reflect uncertainty concerning the quality and coverage of emission measurement and estimation. The rates are 4% for electricity and 6% for business travel. This is consistent both with the Intergovernmental Panel on Climate Change's *Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories* and our internal analysis of data coverage and quality.

Carbon dioxide emissions in tonnes (tCO _{2e})	Year ended 31 December 2022	18 months ended 31 December 2021
Total	184.23	89.32
From energy	24.31	39.95
From travel	159.92	49.37

Carbon dioxide emissions per FTE	Year ended 31 December 2022	18 months ended 31 December 2021
Total	0.70	0.41
From energy	0.09	0.18
From travel	0.61	0.23

Energy consumption in kWh	Year ended 31 December 2022	18 months ended 31 December 2021
Total Group	125,327.31	159,324.65

In 2022 the Group made energy reduction projects including motion sensor lighting in meeting rooms and other energy reduction projects. Carbon emissions from travel have increased in 2022 due to the impact of the COVID-19 pandemic on business travel in 2021. The Group still makes efforts to reduce business travel wherever possible.

Going concern

After reviewing the company's budgets and forecasts for the next 12 months from the date of this report, its liquid resources, medium term plans, and potential impact of the continuing COVID-19 pandemic and the outbreak of the war in Ukraine in March 2022, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

In preparing the accounts on a going concern basis the directors have considered the internal controls over the future forecasting. The forecasting process is reviewed monthly by the senior management team against live key performance indicators which includes client transaction metrics as well as the current year to date financial performance. This leads to an iterative process resulting in high quality management forecasting tools. This is overlaid by the finance team for opex and capex requirements against cashflow and working capital requirements.

TRANSFERGO HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Political contributions

The Group made no political donations or incurred any political expenditure during the year.

Subsequent events

There have been no significant events affecting the Group since the year end.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

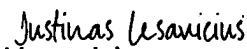
To the best my knowledge:

- the group financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16/6/2023 and signed on its behalf.


J Lasevicius
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED

Opinion

We have audited the financial statements of TransferGo Holdings Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Profit And Loss account, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes In Equity the Consolidated Statement of Cash Flows, the Consolidated and and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements 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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the Company's business model including effects arising from macro-economic uncertainties such as increasing interest rates, high inflation and energy prices, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the Company's financial resources or ability to continue operations over the going concern period.

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED
(CONTINUED)**

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 the 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

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 Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined the most significant are those that relate to the reporting frameworks being international accounting standard, the Companies Act 2006, the FCA rules and guidance and the relevant tax compliance regulations in the jurisdiction in which the company operates;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes;



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED
(CONTINUED)**

- We assessed the susceptibility of the company's Financial Statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was susceptibility to fraud;
- Audit procedures performed by the engagement team include:
 - Evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
 - Identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding and practical experience with audit engagements of similar nature and complexity through appropriate training and participation;
 - Knowledge in which the client operates;
 - Understanding of the legal and regulatory requirements specific to the regulated entity including:
 - the provisions of the applicable legislation.
 - the regulators rules and related guidance, including guidance listed by relevant authorities that interpret those rules.
 - the applicable statutory provisions.
- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud; and
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED
(CONTINUED)**

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.

Grant Thornton UK LLP

Ant Thomas BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London Finsbury
Date: 16/6/2023

TRANSFERGO HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December 2022 £	18 months ended 31 December 2021 £
	Note		
Turnover	4	26,929,592	33,700,868
Cost of sales		(9,548,077)	(13,840,351)
Gross profit		17,381,515	19,860,517
Administrative expenses		(32,129,283)	(32,418,364)
Other operating income	5	403,219	348,735
Operating loss	6	(14,344,549)	(12,209,112)
Interest payable and similar expenses	10	(373,292)	(1,526,014)
Loss before tax		(14,717,841)	(13,735,126)
Tax on loss	11	377,006	63,996
Loss for the financial period		(14,340,835)	(13,671,130)

Loss for the year is all attributable to the owners of the parent company.
The notes on pages 27 to 48 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Year ended 31 December 2022 £	18 months ended 31 December 2021 £
Note		
Loss for the financial period	<u>(14,340,835)</u>	<u>(13,671,130)</u>
Other comprehensive income		
Currency translation differences	<u>842,156</u>	<u>250,575</u>
Other comprehensive income for the period/year	<u>842,156</u>	<u>250,575</u>
Total comprehensive income for the period/year	<u><u>(13,498,679)</u></u>	<u><u>(13,420,555)</u></u>

Total comprehensive income for the year is all attributable to the owners of the parent company.
The notes on pages 27 to 48 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED
REGISTERED NUMBER:09790070

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	51	193
Tangible assets	13	351,724	204,558
		<u>351,775</u>	<u>204,751</u>
Current assets			
Debtors	15	1,144,426	1,336,781
Cash at bank and in hand	16	16,981,477	25,994,512
		<u>18,125,903</u>	<u>27,331,293</u>
Creditors: amounts falling due within one year	17	(4,818,433)	(4,895,625)
Net current assets		<u>13,307,470</u>	<u>22,435,668</u>
Total assets less current liabilities		<u>13,659,245</u>	<u>22,640,419</u>
Creditors: amounts falling due after more than one year	18	(3,000,000)	(278,145)
Provisions for liabilities			
Deferred taxation	21	-	(5,367)
		<u>-</u>	<u>(5,367)</u>
Net assets		<u>10,659,245</u>	<u>22,356,907</u>
Capital and reserves			
Called up share capital	22	11,091	11,077
Share premium account		56,358,778	56,174,244
Share based payment reserve		4,962,471	3,346,002
Other reserves		(293,760)	(293,760)
Profit and loss account		(50,379,335)	(36,880,656)
Equity attributable to owners of the parent company		<u>10,659,245</u>	<u>22,356,907</u>
		<u>10,659,245</u>	<u>22,356,907</u>

The financial statements were approved and authorized for issue by the board and were signed on its behalf on 16/6/2023

Justinas Lasevicius

J Lasevicius
Director

The notes on pages 27 to 48 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED
REGISTERED NUMBER:09790070

COMPANY BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	14	39,519,091	28,894,008
		<u>39,519,091</u>	<u>28,894,008</u>
Current assets			
Debtors	15	18,041,448	16,256,758
Cash at bank and in hand	16	1,265,412	10,637,339
		<u>19,306,860</u>	<u>26,894,097</u>
Creditors: amounts falling due within one year	17	(112,453)	(36,282)
Total assets less current liabilities		<u>58,713,498</u>	<u>55,751,823</u>
Creditors: amounts falling due after more than one year	18	<u>(3,000,000)</u>	<u>-</u>
Net assets		<u>55,713,498</u>	<u>55,751,823</u>
Capital and reserves			
Called up share capital	22	11,092	11,077
Share premium account		56,358,778	56,174,244
Share based payment reserve		4,962,471	2,248,678
Other reserves		(293,760)	(293,760)
Profit and loss account brought forward		(2,388,416)	128,162
Loss for the period		(1,826,158)	(2,516,578)
Other changes in Profit and loss account		(1,110,509)	-
Profit and loss account carried forward		<u>(5,325,076)</u>	<u>(2,388,416)</u>
		<u>55,713,498</u>	<u>55,751,823</u>

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006, allowing a company that prepares Group accounts to omit the parent company's profit and loss account from the company's financial statements.

The financial statements were approved and authorized for issue by the board and were signed on its behalf on 16/6/2023

Justinas Lasevicius

J Lasevicius
Director

The notes on pages 27 to 48 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Share based payment reserve £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent company £	Total equity £
At 1 December 2021	11,077	56,174,244	3,346,002	(293,760)	(36,880,656)	22,356,907	22,356,907
Comprehensive income for the period							
Loss for the period	-	-	-	-	(14,340,835)	(14,340,835)	(14,340,835)
Currency translation differences	-	-	-	-	842,156	842,156	842,156
Total comprehensive income for the period	-	-	-	-	(13,498,679)	(13,498,679)	(13,498,679)
Shares issued during the period	14	184,534	-	-	-	184,548	184,548
Equity settled share- based payment	-	-	1,616,469	-	-	1,616,469	1,616,469
Total transactions with owners	14	184,534	1,616,469	-	-	1,801,017	1,801,017
At 31 December 2022	11,091	56,358,778	4,962,471	(293,760)	(50,379,335)	10,659,245	10,659,245

The notes on pages 27 to 48 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021

	Called up share capital £	Share premium account £	Share based payment reserve £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent company £	Total equity £
At 1 July 2020	7,742	19,690,969	1,063,024	(293,760)	(23,460,101)	(2,992,126)	(2,992,126)
Comprehensive income for the period							
Loss for the period	-	-	-	-	(13,761,130)	(13,761,130)	(13,761,130)
Currency translation differences	-	-	-	-	250,575	250,575	250,575
Total comprehensive income for the period	-	-	-	-	(13,420,555)	(13,420,555)	(13,420,555)
Shares issued during the period	3,335	36,483,275	-	-	-	36,486,610	36,486,610
Equity settled share- based payment	-	-	2,282,978	-	-	2,282,978	2,282,978
Total transactions with owners	3,335	36,483,275	2,282,978	-	-	38,769,588	38,769,588
At 31 December 2021	11,077	56,174,244	3,346,002	(293,760)	(36,880,656)	22,356,907	22,356,907

The notes on pages 27 to 48 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Share based payment reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 December 2021	11,077	56,174,244	2,248,678	(293,760)	(2,388,416)	55,751,823
Comprehensive income for the period						
Loss for the period	-	-	-	-	(1,826,151)	(1,826,151)
Contributions by and distributions to owners						
Shares issued during the period	14	184,534	-	-	-	184,548
Equity settled share-based payment	-	-	2,713,793	-	(1,110,509)	1,603,284
Total transactions with owners	14	184,534	2,713,793	-	(1,110,509)	1,787,832
At 31 December 2022	11,091	56,358,778	4,962,471	(293,760)	(5,325,076)	55,713,504

The notes on pages 27 to 48 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021

	Called up share capital £	Share premium account £	Share based payment reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 July 2020	7,742	19,690,969	1,063,024	(293,760)	128,162	20,596,137
Comprehensive income for the period						
Loss for the period	-	-	-	-	(2,516,578)	(2,516,578)
Contributions by and distributions to owners						
Shares issued during the period	3,335	36,483,275	-	-	-	36,486,610
Equity settled share-based payment	-	-	1,185,654	-	-	1,185,654
Total transactions with owners	3,335	36,483,275	1,185,654	-	-	37,672,264
At 31 December 2021	11,077	56,174,244	2,248,678	(293,760)	(2,388,416)	55,751,823

The notes on pages 27 to 48 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	31 December 2022 £	31 December 2021 £
Cash flows from operating activities		
Loss for the financial period/year	(14,340,835)	(13,671,130)
Adjustments for:		
Taxation (R&D credits received)	(377,006)	(63,996)
Finance costs	373,292	1,526,014
(Gain)/loss on disposal of tangible assets	(1,212)	(8,451)
Amortization of intangible assets	142	250
Depreciation of tangible assets	146,056	170,511
Equity settled as shared based payment expense	2,726,915	2,282,978
Increase/(decrease) in provisions	5,367	-
(Increase) in debtors	(192,355)	(708,208)
(Decrease) in creditors	1,558,235	(6,004,544)
Interest paid	(373,292)	(1,526,014)
R&D credits received	377,006	63,996
Net cash generated from operating activities	(10,097,687)	(17,938,594)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	-
Purchase of tangible fixed assets	(300,100)	(171,352)
Proceeds on disposal of tangible fixed assets	13,065	29,360
Net cash from investing activities	(287,035)	(141,992)

TRANSFERGO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	31 December 2022 £	31 December 2021 £
Cash flows from financing activities		
Issue of share capital	184,534	29,911,369
Borrowings, net	1,085,319	(2,894,591)
Net cash used in financing activities	1,269,853	27,016,778
Net decrease in cash and cash equivalents	(9,114,869)	8,936,192
Cash and cash equivalents at beginning of period	24,837,092	15,650,325
Foreign exchange gains and losses	100,726	250,575
Cash and cash equivalents at the end of period	15,822,949	24,837,092
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	16,981,477	25,994,512
Bank overdrafts	(1,158,528)	(1,157,420)
	15,822,949	24,837,092

The notes on pages 27 to 48 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Company information

TransferGo Holdings Limited ("the company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 1a Old Street Yard, White Collar Factory, London, EC1Y 8AF.

The Group consists of TransferGo Holdings Limited and all of its subsidiaries.

2. Accounting policies
2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of TransferGo Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra Group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.3 Going concern**

After reviewing the company's budgets and forecasts for the next 12 months from the date of this report, its liquid resources, medium term plans, and potential impact of the continuing COVID-19 pandemic and the outbreak of the war in Ukraine in March 2022, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

In preparing the accounts on a going concern basis the directors have considered the internal controls over the future forecasting. The forecasting process is reviewed monthly by the senior management team against live key performance indicators which includes client transaction metrics as well as the current year to date financial performance. This leads to an iterative process resulting in high quality management forecasting tools. This is overlaid by the finance team for opex and capex requirements against cashflow and working capital requirements.

2.4 Turnover

Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable for services, stated net of discounts and returns. Revenue represents income from transaction fees and currency exchange margin from online currency exchange services provided to the customers in the year. Revenue is attributable to the continuing principal activity of the Group. Both streams of revenue are recognised upon completion of the transaction.

Revenue is recognised taking into consideration agent vs principal revenue recognition. As the fulfilment of services depends on the third party (service provider), it does not have any discretion to establish pricing for the other party's services and its consideration is in the form of a commission, it is concluded that the Group is acting as an agent.

Other income includes R&D tax credit which is recognized when the credit is receivable.

2.5 Intangible assets

Intangible assets are initially measured at acquisition cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses (if any).

Amortisation is recognized so as to write off the cost of assets less their residual values over their useful life (20% straight line).

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)
2.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	15 - 25% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

2.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date. No impairment losses have been recognised to date.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.8 Foreign currency translation
Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)
2.9 Foreign currency translation (continued)

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions
Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.13 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Other financial liabilities

Derivatives, including warrants, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

2.14 Taxation

The 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 the profit and loss account 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 reporting end date.

2.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Investment carrying values

Investments are carried at cost less any provision for impairment. Reviews are performed whenever there is an indication of any potential impairment. No such provisions have been recognised to date.

Share based payments transactions

The Group uses the Black Scholes model to determine the fair value of options granted to employees. Information on such assumptions are set out on note 23. The calculations require the use of estimates and assumptions. A change in these estimates or assumptions may affect charges to the profit and loss account over the vesting period of the award.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Turnover and revenue

Analysis of turnover by class of business is as follows:

	Year ended 31 December 2022	18 months period ended 31 December 2021
	£	£
Monetary intermediation fees	26,929,592	33,700,868

Analysis of turnover by country of destination:

	Year ended 31 December 2022	18 months period ended 31 December 2021
	£	£
United Kingdom	8,202,643	18,158,986
Lithuania	18,726,949	15,541,882
	26,929,592	33,700,868

5. Other operating income

	Year ended 31 December 2022	18 months period ended 31 December 2021
	£	£
Other operating income	403,219	348,735

6. Operating loss

The operating loss is stated after charging/(crediting):

	Year ended 31 December 2022	18 months period ended 31 December 2021
	£	£
Exchange (gains)/losses	(203,949)	(1,001,148)
Depreciation of owned tangible fixed assets	146,056	174,551
(Profit)/loss on disposal of tangible fixed assets	(1,212)	(8,451)
Share-based payments	2,726,915	2,253,508
Operating lease charges	358,716	824,814

TRANSFERGO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

7. Auditor's remuneration

	Year ended 31 December 2022	18 months period ended 31 December 2021
	£	£
For audit services		
Audit of the financial statements of the Group and company	<u>88,000</u>	<u>83,960</u>
For audit services		
	€	€
Audit of the financial statements of the company's foreign subsidiaries (in €)	<u>18,400</u>	<u>11,100</u>

8. Employees

Staff costs were as follows:

	Group Year ended 31 December 2022	Group 18 months period ended 31 December 2021	Company Year ended 31 December 2022	Company 18 months period ended 31 December 2021
	£	£	£	£
Wages and salaries	10,848,129	12,814,692	-	14,224
Social security costs	520,398	744,417	-	111
Pension costs (note 24)	82,364	101,367	-	-
	<u>11,450,891</u>	<u>13,660,476</u>	<u>-</u>	<u>14,335</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Group Year ended 31 December 2022 No.	Group 18 months period ended 31 December 2021 No.	Company Year ended 31 December 2022 No.	Company Year ended 31 December 2021 No.
Staff	261	216	7	7

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Directors' remuneration

	Year ended 31 December 2022	<i>18 months period ended 31 December 2021</i>
	£	£
Directors' emoluments	346,471	719,643
Company pension contributions to defined contribution schemes	10,025	11,499
	356,496	731,142

The Directors' pension contributions to defined contribution schemes amounted to £10,025 (2021: £11,499).

The remuneration of the company's highest paid director amounted to £166,306 (2021: £299,643).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £5,525 (2021: £4,489).

10. Interest payable and similar expenses

	Year ended 31 December 2022	<i>18 months period ended 31 December 2021</i>
	£	£
Bank interest payable	373,292	1,526,014

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation

	Year ended 31 December 2022	18 months period ended 31 December 2021
	£	£
Corporation tax		
Current tax on loss for the year	2,072	82,761
R&D tax credit	(373,711)	(146,757)
Def. tax write off	(5,367)	-
	<hr/>	<hr/>
Total current tax	(377,006)	(63,996)

Factors affecting tax charge for the period/year

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	Year ended 31 December 2022	18 months period ended 31 December 2021
	£	£
Loss on ordinary activities before tax	(14,717,841)	(13,970,129)
	<hr/>	<hr/>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(2,796,389)	(2,654,325)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	16,390	2,676
Tax effect of income not taxable in determining taxable profit	2,072	82,761
R&D tax credit	(373,710)	(146,757)
Group relief	-	-
Movement on deferred tax	(5,367)	-
Losses carried forward	2,779,998	2,651,649
	<hr/>	<hr/>
Total tax charge for the period/year	(377,006)	(63,996)

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Intangible assets**Group and Company**

	Intangibles £
Cost	
At 1 January 2022	723
Write offs	-
At 31 December 2022	<u>723</u>
 Amortisation	
At 1 January 2022	530
Charge for the year on owned assets	142
Write offs	-
At 31 December 2022	<u>672</u>
 Net book value	
At 31 December 2022	<u>51</u>
 <i>At 31 December 2021</i>	<u>193</u>

Amortisation on intangible assets is charged to admin expenses.

TRANSFERGO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

	Equipment £
Cost or valuation	
At 1 January 2022	471,444
Additions	305,539
Disposals	(122,604)
Foreign exchange	21,255
At 31 December 2022	<u>675,634</u>
 Depreciation	
At 1 January 2022	266,886
Charge for the year on owned assets	146,056
Disposals	(108,327)
Foreign exchange	19,295
At 31 December 2022	<u>323,910</u>
 Net book value	
At 31 December 2022	<u>351,724</u>
 <i>At 31 December 2021</i>	<u>204,558</u>

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Fixed asset investments

	Subsidiaries £
Cost or valuation	
At 31 December 2021	28,894,008
Additions	10,625,083
At 31 December 2022	39,519,091
 Net book value	
At 31 December 2022	39,519,091
 At 31 December 2021	28,894,008

Additions during the year relate to share capital increases in the subsidiaries TransferGo Limited, UAB TransferGo Lithuania and UAB GoSystems.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
GMBH TransferGo Germany	Kemperplatz 1, 10785 Berlin, Germany	Marketing Services	Ordinary	100%
UAB GoSystems	Palangos g. 4, LT-01402, Vilnius, Lithuania	Administrative services	Ordinary	100%
UAB TransferGo Lithuania	Palangos g. 4, LT-01402, Vilnius, Lithuania	Electronic money services	Ordinary	100%
TransferGo Ltd	1A Old Street Yard, White Collar Factory, London, England, EC1Y 8AF	Monetary intermediation	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
GMBH TransferGo Germany	(307,051)	(5,322)
UAB GoSystems	1,487,163	(10,634,716)
UAB TransferGo Lithuania	2,055,629	(826,126)
TransferGo Ltd	4,544,414	(1,673,019)

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	106,823	359,201	-	-
Amounts owed by Group undertakings	-	-	18,032,018	16,256,758
Other debtors	738,123	405,530	-	-
Prepayments and accrued income	93,380	68,695	9,430	-
Tax recoverable	206,100	503,355	-	-
	<u>1,144,426</u>	<u>1,336,781</u>	<u>18,041,448</u>	<u>16,256,758</u>

16. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	16,981,477	25,994,512	1,265,412	10,637,339
Less: bank overdrafts	(1,158,528)	(1,157,420)	-	-
	<u>15,822,949</u>	<u>24,837,092</u>	<u>1,265,412</u>	<u>10,637,339</u>

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Creditors: Amounts falling due within one year

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Bank overdrafts (note 16)	1,158,528	1,157,420	-	-
Loan notes (note 19)	-	1,636,536	-	-
Trade creditors	942,329	480,891	-	1,503
Corporation tax	84,575	-	-	-
Other taxation and social security	286,463	299,555	-	34,779
Other creditors	1,910,402	948,281	45,030	-
Accruals and deferred income	436,136	372,300	67,423	-
Obligations under finance lease and hire purchase contracts	-	642	-	-
	4,818,433	4,895,625	112,453	36,282

18. Creditors: Amounts falling due after more than one year

	Group 2022	<i>Group 2021</i>
	£	£
Loan notes (note 19)	3,000,000	278,145

TRANSFERGO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

19. Loans

	Year ended 31 December 2022	18 months period ended 31 December 2021
	£	£
Bank overdrafts (note 16)	1,158,528	1,157,420
Other loans	3,000,000	1,914,681
	4,158,528	3,072,101

20. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Carrying amount of financial assets				
Cash at bank and in hand (note 16)	16,981,477	25,994,512	1,265,412	10,637,339
Debt instruments measured at amortized cost (note 15)	800,448	717,054	18,041,448	16,256,758
	17,781,925	26,711,566	19,306,860	26,894,097
Carrying amount of financial liabilities				
Measured at fair value through profit or loss other financial liabilities - warrants (note 17)	-	-	-	-
Measured at amortized cost (note 17)	7,531,969	4,874,215	112,453	36,287
	7,531,969	4,874,215	112,453	36,287

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Deferred taxation**Group**

	2022	2021
	£	£
At beginning of year	(5,367)	(5,367)
Charged to profit or loss	5,367	-
At end of period/year	-	(5,367)

The provision for deferred taxation is made up as follows:

	Group 31 December 2022	Group 31 December 2021
	£	£
Accelerated capital allowances	-	(5,367)

22. Share capital

	2022	2021
	£'000	£'000
Allotted, called up and fully paid		
3,961,049 (2021: 3,958,857) Ordinary shares of £0.001 each	3,961	3,959
698,000 (2021: 698,000) Preferred "A1" shares of £0.001 each	698	698
239,000 (2021: 239,000) Preferred "A2" shares of £0.001 each	239	239
642,000 (2021: 642,000) Preferred "A3" shares of £0.001 each	642	642
601,202 (2021: 601,202) Preferred "A4" shares of £0.001 each	601	601
2,013,583 (2021: 2,013,583) Preferred "A5" shares of £0.001 each	2,014	2,014
2,936,074 (2021: 2,924,175) Preferred "A6" shares of £0.001 each	2,936	2,924
	11,091	11,077

TRANSFERGO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Share capital (continued)

Reconciliation of movements during the period:	Ordinary shares Number 000s	A6 Preferred shares Number 000s
At 31 December 2021	3,959	2,924
Issue of fully paid shares	2	12
At 31 December 2022	3,961	2,936

During the period the company issued 2,192 ordinary shares of £0.001 each for a total consideration of £21.92. All of these shares were issued to employees under the share options scheme at an exercise price of £0.01. As a result, the company recorded a share premium of £26,329.68.

The company also issued 11,899 A6 Preferred Shares of £0.001 each for a total consideration of £156,828.82.

The balance on the share capital account represents the aggregate nominal value of all A1, A2, A3, A4, A5 and A6 (together "Preference Shares") and Ordinary Shares in issue. All Preference and Ordinary Shares have a nominal value of £0.001.

Liquidation Preference

On a distribution of assets on a liquidation or a return of capital (excluding a conversion, redemption or purchase of Shares), voluntary winding up or dissolution of the Company the surplus assets of the Company remaining after payment of its liabilities (the "Liquidation Amount") shall be applied (to the extent that the Company is lawfully permitted to do so) in the following order:

(i) first, in paying to the holders of A6 Preferred Shares an aggregate amount equivalent to the A6 Preferred Subscription Amount pro rata to their respective holdings of A6 Preferred Shares;

(ii) second, in paying to the holders of A5 Preferred Shares an aggregate amount equivalent to the A5 Preferred Subscription Amount pro rata to their respective holdings of A5 Preferred Shares;

(iii) third, in paying to the holders of A4 Preferred Shares an aggregate amount equivalent to the A4 Preferred Subscription Amount pro rata to their respective holdings of A4 Preferred Shares;

(iv) fourth, in paying to the holders of A1 Preferred Shares an aggregate amount equivalent to the A1 Preferred Subscription Amount pro rata to their respective holdings of A1 Preferred Shares;

(v) fifth, in paying to the holders of A2 Preferred Shares an aggregate amount equivalent to the A2 Preferred Subscription Amount pro rata to their respective holdings of A2 Preferred Shares;

(vi) sixth, in paying to the holders of the A3 Preferred Shares an aggregate amount equivalent to the A3 Preferred Subscription Amount pro rata to their respective holdings of A3 Preferred Shares;

(vii) seventh, in paying to the holders of Ordinary Shares an aggregate amount equivalent to the Liquidation Amount multiplied by the aggregate number of Ordinary Shares in issue divided by the aggregate number of Preferred Shares in issue, such payments to the holders of Ordinary Shares being made pro rata to their respective holdings of Ordinary Shares; and

(viii) the balance of the surplus assets (if any) shall be distributed among the holders of Shares (other than the Preferred Shares) pro rata to the number of such Shares (other than the Preferred Shares) held.

TRANSFERGO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

23. Share based payments

TransferGo Holdings Limited operates a share option scheme for employees of the company's subsidiaries, to provide long term incentives to deliver long term shareholder returns. The options were granted during the year and are settled by the issue of ordinary shares in the company. The Group has chosen not to push down share options expenses to the subsidiaries and all share-based payment expenses are recognized by TransferGo Holdings Limited. Due to the prior year share options expenses recognized in the subsidiaries, these were reversed in 2022 (TransferGo Holdings Limited FY2021 retained earnings adjusted by £1,110,509 due to share options related adjustment made).

The participants of the scheme have the option to acquire 1,242,833 (2021: 612,997) ordinary shares in TransferGo Holdings Limited at varying exercise prices between of £0.001 - £0.44 per share once the vesting conditions have been met.

	2022		18 months period ended 31 December 2021	
	No.	Weighted average exercise price	No.	Weighted average exercise price
Outstanding at 1 January 2022 (1 July 2020 for 18 month period ending 31 December 2021)	612,997	0.04	580,022	0.19
Granted	680,462	0.01	546,000	0.006
Forfeited	(48,434)	0.01	(102,800)	0.19
Exercised	(2,192)	0.01	(410,225)	0.04
Expired	0	0	0	0
Outstanding at 31 December	1,242,833	0.02	612,977	0.04
Exercisable at 31 December	0	0	0	0

These options are measured at their estimated fair value at the date of the grant, calculated using a Black Scholes model that takes into account the following variables and assumptions:

- The exercise price - as per option contract;
- The share price at grant date - the value of share based on the latest investment series;
- Expected life of option - the vesting period of the share options;
- Risk - free interest rate - 10 year yield UK treasury bonds;
- Expected price volatility of the underlying share - variance between returns was measured from the publicly available competitor data.

24. Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charged to profit or loss in respect of defined contribution schemes	82,364	101,367

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Operating lease commitments

At 31 December 2022 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>
Not later than 1 year	288,410	<i>169,389</i>

Some of the leases have no termination clauses as they are auto renewed each month. The amount of such leases with auto-renewals is £36,908 (2021: £15,408).

26. Controlling party

In the opinion of the Directors, there is no one ultimate controlling party.