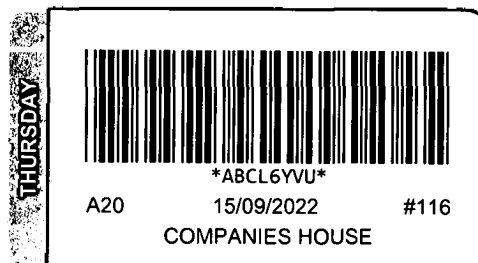




Directors' Report and Financial Statements

Checkout Technology Ltd — 12785792

Period Ended 31 December 2021





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Company information

Directors

Guillaume Pousaz (Appointed 02 August 2020)

Mike Benchimol (Appointed 02 August 2020)

Ott Kaukver (Appointed 25 May 2021)

Company Secretary

Broughton Secretaries Limited (appointed 2 August 2020)

54 Portland Place

London

W1B 1DY

Independent auditors

PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Principal banks

Barclays Bank

One Churchill Place

Canary Wharf

London

E14 5HP

J.P. Morgan

25 Bank Street

Canary Wharf

London

E14 5JP

AS LHV Pank

Tartu mnt 2,

10145 Tallinn

Estonia

Registered office

54 Portland Place

London

W1B 1DY



Strategic report

Overview

The directors present their Strategic Report, Directors' report and the audited financial statements of Checkout Technology Ltd and its subsidiaries (the "Group") for the period from incorporation to 31 December 2021.

The Group's principal activity is to centrally hold and develop the intellectual property and software of the Checkout Payments Group for use in the payments industry.

Business review and results

Checkout Technology Ltd was incorporated on 02 August 2020 as a subsidiary of Checkout Payments Group Limited (together with its subsidiaries the "Checkout Payments Group"), with the purpose of developing intellectual property and software for use in the payments industry.

During the period, Checkout Technology Ltd set up three branches (Checkout Technology Ltd Eesti filiaal in Estonia, Checkout Technology Ltd in Mauritius and Checkout Technology Ltd in The Netherlands), through which they acquired the intellectual property and took on the software development employees of the Checkout Payments Group, and incorporated Checkout Estonia OÜ, a new subsidiary in Estonia. Subsequently, the Group acquired Icefire Holdings OÜ and its subsidiaries ("Icefire"), an Estonian group specialising in software development.

The activity of the Group during the period was to further develop the acquired software and intellectual property for the primary benefit of the Checkout Payments Group, as well as fulfilling the existing obligations of Icefire prior to acquisition.

The Group made a profit of \$5.0m for the period ended 31 December 2021, and had net assets of \$46.3m at that date. The Group had cash on hand of \$0.55m at the end of the period.

Key Performance Indicators

The Group supports the development of technology assets for the wider Checkout Payments Group. At this early stage of its development, the directors consider that the key performance indicators for the Group to allow it to deliver its future goals were the integration of the Icefire group and the close out of prior business and the retention of talent. The Group

were able to successfully conclude Icefire's prior business in the period, allowing the Icefire employees to transition to the Group's business, and the directors consider that talent retention within the Group remains at an acceptable level.

Future Developments

No significant change in the activity of the Group is expected for the foreseeable future. The Group will continue to develop software for use by the Checkout Payments Group.

Principal risks and Uncertainties

The directors consider that the principal risks faced by the Group are aligned with those of the Checkout Payments Group. The Group is funded in its entirety by the Checkout Payments Group, who is its chief customer, and any risks to the Checkout Payments Group are passed through to the Group:

i) Settlement/Remittance risk

The Group is exposed to the risk that the Checkout Payments Group fails to remit funds to merchants in a timely manner as a result of operational delays/failures in internal processes or from those of third party institutions and card schemes. The Checkout Payments Group mitigates this risk through robust reconciliation processes and daily proactive treasury management.

ii) Legal, regulatory and compliance risk

As a business regulated by the Financial Conduct Authority, there is a risk in the failure of the Checkout Payments Group to fulfil its compliance and regulatory obligations. The Checkout Payments Group engages in a voluntary annual Compliance audit, holds quarterly credit, risk and compliance committee (CRCC) meetings and monitors the Checkout Payments Group's compliance and regulatory position on a regular basis.

iii) Data security and technology risk

The loss of confidential data or technology disruption caused by either internal or external factors. The Checkout Payments Group ensures ongoing vulnerability monitoring on a Group basis and completes annual technology audits/risk assessments/penetration testing to ensure the robustness of the control environment.



Section 172(1) of the Companies Act 2006

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 clients

Checkout Technology Ltd and its subsidiaries (together the "Group") acts primarily for the benefit of the Checkout Payments Group. The Group has a small residual portfolio of external clients, arising from its acquisition of Icefire, to which it ensures that it meets its contractual obligations before fully focusing on the wider activities of the Checkout Payments Group.

The Interests of Employees

We continually look to invest in our biggest asset, our people, to hire and retain exceptional talent throughout the business via large teams and budget allocated to our recruitment efforts and employees' continuous learning and up-skilling.

We actively listen to our employees, via a monthly, group-wide engagement survey which gives the Checkout Payments Group executive team data on what's driving engagement and areas to work on to improve culture/performance.

This employer net promoter score (eNPS) is actively monitored by the executive team, as a fundamental driver of success for our enterprise merchants.

We communicate openly and frequently about the business objectives for the Checkout Payments Group, its performance and future strategy via monthly All Employee meetings. We also host bi-monthly steering committees with our Senior Management to provide further in-depth information around business priorities to create a sense of alignment and accountability at all levels.

We actively support a variety of programs and initiatives across the Checkout Payments Group around employees' mental health and wellbeing in a period of high growth and within the context of remote/hybrid working, to foster psychological safety, reconnect people in a time of loneliness and to maintain a sense of belonging and social connection to drive engagement and productivity. In addition to all the above, we are committed to embedding Diversity and Inclusion (D&I) across the business from hiring, on-boarding and policy to community building and business practices.

We understand that it is not one person's role to work on D&I and so we are educating our managers and employees on what D&I means and equipping them with the language to discuss and build an inclusive environment. We believe in equal opportunities and welcome applications from all members of society irrespective of age, sex, disability, sexual orientation, race, religion, or belief. We make recruiting decisions based on experience, skills and personality.

We believe that employing a diverse workforce is the right thing to do and is central to our success. We have a zero-tolerance stance on any kind of discrimination, and we ensure this is achieved via training and educating our employees as well as with policies and procedures: Code of conduct, a Dignity at Work one pager, a Building Belonging policy, a Whistle-blower policy, a Disciplinary policy and a Grievance policy.

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 suppliers and partners that align with our values. We do this by undertaking a fair and transparent procurement process to identify the product or service that is in our customers' and our best interest. In addition, we actively engage with the major card networks to offer new products to the market to improve the end customer experience.

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

The Group is committed to the environment with a dedicated focus group concentrating on the enhancement and development of environmentally friendly practices.

Each employee is provided with paid leave to complete community or charitable projects either in their local or wider community. Whilst COVID-19 has increased the challenge of supporting our community, the Group has continued its efforts through supporting other programs.

The desirability of the Group 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 units have been completed.

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 Company and Group were incorporated by its sole shareholder to simplify ownership of the Group's intellectual property. Decisions taken by the Board of Directors during the period have either been a) 'business-as-usual' decisions taken in line with the purpose the Group has within the wider Checkout Payments Group, i.e. to own, maintain, develop, and license the Checkout Payment Group's intellectual property assets, or b) decisions taken to enhance the services that the Group provides to other subsidiaries within the Checkout Payments Group.

During the period, the Board took decisions to establish technology hubs through branch offices in Mauritius, Estonia and The Netherlands (the "Technology Hubs"), to acquire various Intellectual Property assets from fellow group subsidiaries and, through its wholly owned direct subsidiary Checkout Estonia OU, to acquire the Icefire Group of companies ("Icefire").

The consolidation of the Checkout Payment Group's IP and the creation of the Technology Hubs have introduced efficiencies across the wider Checkout Payments Group and serve to enhance the overall proposition offered to the Checkout Payment Group's merchants, thereby supporting the Checkout Payment Group's mission to enable businesses and their communities to thrive in the digital economy.

The need to act fairly as between members of the Group

The Group is committed to acting fairly with all members.



Directors' report

The review of the results of the period, the review of the business, operations and principal risks and outlook are included in the Strategic report on page 4.

The directors of the Group and Company during the period were those listed on page 3.

The principal activity of Checkout Technology Ltd, its branches in the EU located in Estonia and the Netherlands, its branch in Mauritius and its subsidiaries (registration number 12785792) is the development of intellectual property and software for use in the payments industry.

Going Concern

The Group develops intellectual property and software for use in the payments industry, specifically for the wider group underneath its ultimate parent company. As a result the Group is reliant on the support of its ultimate parent, and the performance of the underlying group for its ability to continue in operation.

The ultimate parent company is well capitalised and has raised significant further capital in 2022. The forecast results and cash flows of the group over the next five years show that there is a significant buffer of both capital and cash position to support the day-to-day operations of the overall group, including the Company and Group.

As a result of this support, the directors have a reasonable expectation that the Group and Company have access to adequate resources through its ultimate parent company to continue to meet its obligations and liabilities as they fall due for at least 12 months from the approval of the financial statements and for the foreseeable future. As such, they continue to adopt the going concern basis in preparing these financial statements.

Directors

The directors of the Company during the period and for the period up to the date of this report were:

Guillaume Pousaz (Appointed 2 August 2020)
Mike Benchimol (Appointed 2 August 2020)
Ott Kaukver (Appointed 25 May 2021)
Riaz Bordie (Appointed 2 August 2020; Resigned 25 May 2021)

Dividends

In the period ended 31 December 2021, the Company did not declare or pay any dividends.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the group and the company financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

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 of the group and company and of the profit or loss of the group and company 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 IFRS as issued by the IASB 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 and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.



Directors' confirmations

In the case of each director in office at the date the Directors' report is approved:

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

Mike Benchimol

Mike Benchimol
Director

12 September 2022

Approved by the Board and signed on behalf of the Board



Independent auditors' report to the members of Checkout Technology Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Checkout Technology Ltd's group financial statements and company financial statements (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 2021 and of the group's profit, the company's loss and the group's and company's cash flows for the period from 2 August 2020 to 31 December 2021;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Income statement, the Statement of comprehensive income, the Statement of cash flows, the consolidated Statement of changes in equity and the Company Statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether



there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the period ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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. 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and applicable tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias included within significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Understanding and evaluating the design and implementation of controls designed to prevent and detect irregularities and fraud;
- Inquiry of management and the Company's legal advisors regarding their consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Challenging assumptions and judgements made by management in respect of critical accounting judgements and significant accounting estimates, and assessing these judgements and estimates for management bias.



There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Mark Jordan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 September 2022



Financial statements

For the period ended December 31, 2021

Income statement

(US Dollars \$'000)	Notes	Period ended 31 December 2021	Period ended 31 December 2021
		Consolidated Group	Company
Revenue	3	46,182	43,886
General and administrative expenses	4,6	(41,104)	(46,584)
Profit/(loss) from operating activities	5	5,078	(2,698)
Finance costs	7	(67)	(35)
Profit/(Loss) before income tax		5,011	(2,733)
Income tax credit	8	(27)	(27)
Net profit/(loss) for the financial period		4,984	(2,760)

The notes on pages 16 to 32 form an integral part of these financial statements.

Statement of comprehensive income

(US Dollars \$'000)	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
Net profit/(loss) for the financial period	4,984	(2,760)
Items that may be reclassified subsequently to the income statement		
Exchange losses on translation of foreign operations	(907)	(1,260)
Other comprehensive expense for the financial period (net of tax)	(907)	(1,260)
Total comprehensive income for the financial period	4,077	(4,020)

The notes on pages 16 to 32 form an integral part of these financial statements.

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Statements of Financial Position

(US Dollars \$'000)	Notes	31 December 2021 Consolidated Group	31 December 2021 Company
Assets			
Non-Current assets			
Property, plant and equipment	9	447	404
Intangible Assets	10	951	951
Right-of-use asset	16	843	843
Goodwill	11	9,573	-
Investment in Subsidiaries	21	-	-
Total Non-Current Assets		11,814	2,198
Current Assets			
Trade and Other receivables	12	44,542	43,962
Cash and Cash equivalents	14	550	136
Total Current Assets		45,092	44,098
Total Assets		56,906	46,296
Liabilities			
Current Liabilities			
Trade and Other Payables	13	6,458	5,822
Taxes and Other Social Security		566	480
Accruals and Deferred Income		1,084	927
Lease Liabilities	16	324	324
Total Current Liabilities		8,432	7,553
Non-current Liabilities			
Lease liabilities	16	528	528
Deferred consideration payable	13	1,634	-
Total Non-current Liabilities		2,162	528
Total Liabilities		10,594	8,081
Net Assets		46,312	38,215
Equity			
Called up share capital	15	8,969	8,969
Share Options Reserve		33,266	33,266
Currency Translation Reserve		(907)	(1,260)
Retained Earnings		4,984	(2,760)
Total Equity		46,312	38,215

The notes on pages 16 to 32 form an integral part of these financial statements. The financial statements were approved by the Board of Directors on 12 September 2022, and were signed on its behalf by:

Mike Benchimol

Mike Benchimol
Director
Company Number 12785792

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**Consolidated Statement of changes in equity****2021**

(US Dollars \$'000)	Share Capital	Share Options Reserve	Retained Earnings	Currency Translation Reserve	Total Equity
Balance at incorporation	-	-	-	-	-
Profit for the period	-	-	4,984	-	4,984
Other comprehensive expense	-	-	-	(907)	(907)
Total comprehensive income	-	-	4,984	(907)	4,077
Transactions with owners:					
Equity raised	8,969	-	-	-	8,969
Share-based payments reserve	-	33,266	-	-	33,266
Balance at 31 December	8,969	33,266	4,984	(907)	46,312

Company Statement of changes in equity**2021**

(US Dollars \$'000)	Share Capital	Share Options Reserve	Retained Earnings	Currency Translation Reserve	Total Equity
Balance at incorporation	-	-	-	-	-
Loss for the period	-	-	(2,760)	(1,260)	(4,020)
Other comprehensive expense	-	-	-	-	-
Total comprehensive expense	-	-	(2,760)	(1,260)	(4,020)
Transactions with owners:					
Equity raised	8,969	-	-	-	8,969
Share-based payments reserve	-	33,266	-	-	33,266
Balance at 31 December	8,969	33,266	(2,760)	(1,260)	38,215

The notes on page 16 to 32 form an integral part of these financial statements.

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Statement of cash flows

(US Dollars \$'000)	Notes	Period ended 31 December 2021	Period ended 31 December 2021
		Consolidated Group	Company
Cash used in operating activities	18	(4,622)	(4,053)
Income Taxes paid		(221)	-
Net Cash used in Operating activities		(4,843)	(4,053)
Cash Flows from Investing activities			
Purchase of Property, Plant and Equipment		(447)	(447)
Investment in Intangible Assets		(2,086)	(1,151)
Investments in new business combinations		(7,693)	-
Investments in subsidiaries		-	(8,972)
Net cash used in Investing activities		(10,226)	(10,570)
Cash Flows from Financing activities			
Proceeds from the issuance of Ordinary Shares		8,969	8,969
Proceeds from borrowings		6,455	5,822
Payment of lease liabilities		(126)	(126)
Interest paid		(21)	(14)
Net cash from Financing activities		15,277	14,651
Foreign Exchange		342	108
Net cash inflow for the period		550	136
Cash and Cash Equivalents at incorporation		-	-
Cash and Cash Equivalents at 31 December		550	136



Notes to the financial statements

2021

Note 1 General information

These Financial Statements present the operations and financial position of Checkout Technology Ltd ('the Company'), together with its subsidiaries (hereinafter referred to as 'the Group'). The Company is a private limited company by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006 (registration number 12785792).

The address of the registered office is 54 Portland Place, London, W1B 1DY.

Checkout Technology Ltd is a subsidiary of Checkout Payments Group Limited.

The principal activity of the Company and Group is the development of intellectual property and software for use in the payments industry.



Note 2

Significant accounting policies

Basis of preparation

The consolidated financial statements of the Group, and the separate financial statements of the Company have been prepared in accordance with UK-adopted international accounting standards.

The financial statements of both the Group and the Company are presented in US dollars. Unless otherwise indicated, all amounts are rounded to the nearest thousand US dollars. The financial statements of both the Group and the Company are prepared on a going concern basis under the historical cost convention.

The Group's significant accounting policies relating to specific financial statement line items and to the financial statements as a whole, together with a description of the accounting estimates and judgments relevant to preparing those lines are set out below. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

i. Consolidation

The Group applies IFRS 10 *Consolidated Financial Statements*. The consolidated financial statements combine the financial statements of the Company, together with all its subsidiaries, representing entities over which the Company has control. The Group has control over another entity when it has:

- power over the relevant activities of the entity, for example through voting or other rights;
- exposure or rights to variable returns from its involvement with the entity; and
- the ability to affect those returns through its power over the entity.

The assessment of control is based on the consideration of all facts and circumstances, and is reassessed if there is any change in the facts and circumstances that impacts one of the elements of control. Intra-group transactions and balances are eliminated on consolidation and consistent accounting policies are used throughout the Group.

ii. Foreign currency translation

The Group applies IAS 21 *The Effects of Changes in Foreign Exchange Rates*. Transactions in foreign currencies are translated to US dollars at the rate ruling on the date of the transaction. Foreign currency monetary balances are translated to US Dollars at the period end exchange rates. Exchange gains and losses on such balances are taken to the income statement. Non-monetary foreign currency balances in relation to items measured at historic cost are carried at historical transaction date exchange rates.

The Group's foreign operations (including subsidiaries and branches) may have different functional currencies. The functional currency of an operation is the currency of the primary environment to which it is exposed.

Prior to consolidation, the assets and liabilities of the non-US dollar operations are translated at the period end exchange rate and items of income, expense and other comprehensive income are translated at the average exchange rates for the period. Exchange differences arising on the translation of foreign operations are included in currency translation reserves within equity. These are transferred to the income statement when the Group disposes of the entire interest in a foreign operation, when partial disposal results in the loss of control of an interest in a subsidiary, or on the disposal of a foreign operation within a branch.

iii. Going concern

The Group develops intellectual property and software for use in the payments industry, specifically for the wider group underneath its ultimate parent company. As a result the Group is reliant on the support of its ultimate parent, and the performance of the underlying group for its ability to continue in operation.

The ultimate parent company is well capitalised and has raised significant further capital in 2022. The cash flow forecasts and profit forecasts of the group as a whole are positive, and there is a significant buffer of capital to support the day-to-day operations of the overall group, including the Company and Group.

As a result of this support, the directors have a reasonable expectation that the Group and Company



have access to adequate resources through its ultimate parent company to continue to meet its obligations and liabilities as they fall due for at least 12 months from the approval of the financial statements and for the foreseeable future. As such, they continue to adopt the going concern basis in preparing these financial statements.

Revenue

The Group applies IFRS 15 *Revenue from Contracts with Customers*. IFRS 15 establishes a five-step model governing revenue recognition. The Group is required to (i) identify the contract with the customer, (ii) identify each of the performance obligations included in the contract, (iii) determine the amount of consideration in the contract, (iv) allocate the consideration to each of the identified performance obligations and (v) recognise revenue as each performance obligation is satisfied.

Revenue represents the consideration received or receivable from the provision of software development services and entrepreneurial returns from entities within the group headed by the ultimate parent undertaking for the use of intellectual property and software owned and developed by the Group.

Share based payments

The Group applies IFRS 2 *Share-based Payments* in accounting for employee remuneration in the form of shares.

Employee incentives include awards in the form of share options. Where the issuance of the option to purchase shares is awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that the cumulative amount recognised in the income statement over the vesting period is based on the number of options that eventually vest.

In addition, non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. Where the terms and conditions of options are modified before they vest, an increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive income over the remaining vesting period.

A credit equal and opposite to the share based payment charge is recognised in reserves as a capital contribution from the Group's ultimate parent undertaking.

Estimating the fair value for share based payment transactions requires determination of the most appropriate valuation method, which depends on the terms and conditions of the award.

This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and the dividend yield and making assumptions about them. The Group uses a Black-Scholes option pricing model for the employee share scheme. The Group has assumed an attrition rate between 0-20%. The assumptions for estimating the fair value for share based payment transactions are disclosed in note 17.

Finance costs

Finance costs comprises interest on leases (see below) and interest on liabilities. Finance costs are recognised using the effective interest rate method.

Staff costs

The Group applies IAS 19 *Employee benefits* in its accounting for most of the components of staff costs.

Salaries, social security and accrued performance costs are recognised over the period in which the employees provide the services to which the payments relate.

Pensions

The Group operates a defined contribution scheme. Pension contributions are charged to the statement of comprehensive income in the period that the liability for paying the contributions arises.

Taxation

The Group applies IAS 12 *Income Taxes* in accounting for tax on income. Income tax payable on taxable profits (current tax) is recognised in the periods in which the profits arise. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offsetting against taxable profits arising in the current or prior periods. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences except from the initial recognition of goodwill. Deferred tax is not recognised where the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.



Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

Property, plant and equipment

The Group applies IAS 16 *Property, Plant and Equipment*. Property, Plant and Equipment are recognised at cost, which includes direct and incremental acquisition costs less accumulated depreciation and provisions for impairment, where required. Subsequent costs are capitalised if these result in enhancement of the asset. Depreciation is provided on the depreciable amount of items of property, plant and equipment on a straight-line basis over their estimated useful economic lives. Depreciation rates, methods, and the residual values underlying the depreciation calculations are kept under review to take account of any change in circumstances and are adjusted if appropriate. The Group uses the following expected useful lives in providing for depreciation:

- Computer equipment – three years;
- Furniture & fittings – the shorter of the remaining lease period or five years.

Intangible assets

Intangible assets other than goodwill are accounted for in accordance with IAS 38 *Intangible Assets*.

Intangible assets are initially recognised when they are separable or arise from contractual or other legal rights, the cost can be measured reliably and, in the case of intangible assets not acquired in a business combination, where it is probable that future economic benefits attributable to the assets will flow from their use.

For internally generated intangible assets, only technology costs incurred during the development phase are capitalised. Expenditure in the research phase is expensed when it is incurred.

Intangible assets are stated at cost (which is, in the case of assets acquired in a business combination, the acquisition date fair value) less accumulated amortisation and impairment, if any, and are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows, generally using the amortisation periods

below from the date that the technology becomes operational:

- Capitalised Technology Development – three years;
- Acquired contracts – residual life of the contract or thirty months (whichever is the shorter);
- Software – three years.

Intangible assets are recognised as non-current assets. The carrying values of intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually. Where the carrying amount is not recoverable the asset is written down immediately to the estimated recoverable amount, based on value-in-use calculations. The amortisation periods used are reviewed annually.

Goodwill

The carrying value of goodwill is determined in accordance with IFRS 3 *Business Combinations* and IAS 36 *Impairment of Assets*.

Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of the purchase consideration over the fair value of the Group's share of the assets acquired and the liabilities and contingent liabilities assumed on the date of acquisition.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. The test involves comparing the carrying value of a cash generating unit (CGU) including goodwill with the present value of the pre-tax cash flows, discounted at a rate of interest that reflects the inherent risks of the CGU to which the goodwill relates, or the CGU's fair value if this is higher.

Testing goodwill for impairment involves a significant amount of judgement. Goodwill is allocated to CGUs for the purpose of impairment testing. The review of goodwill for impairment involves calculating the recoverable amount (either a value-in-use (VIU) or a fair-value-less-costs-to-sell valuation), which is compared to the carrying value of a CGU associated with the goodwill to determine whether any impairment has occurred.

The calculation of recoverable amount contains a high degree of uncertainty in estimating, for example, the fair values, the future cash flows and the rates used to discount them.



Leases

The Group applies the IFRS 16 *Leases*. Under IFRS 16, the Group is required to recognise both a lease liability, measured at the present value of remaining cash flows on the lease, and a right of use (ROU) asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

Subsequently the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made. The right of use asset will amortise to the income statement over the life of the lease. The lease liability is remeasured whether there is a change to either the future lease payments arising from a change in an index or rate, the Group's estimate of the amount expected to be payable under a residual value guarantee, or the Group's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the income statement if the carrying amount of the ROU asset has been reduced to nil.

On the balance sheet, the ROU assets are included within property, plant and equipment and the lease liabilities are separately disclosed.

The Group applies the recognition exemption in IFRS 16 for leases with a term not exceeding 12 months. For these leases, the lease payments are recognised as an expense on a straight line basis over the lease term unless another systematic basis is more appropriate.

Investment in subsidiaries

In the individual financial statements of the Company, investments in subsidiaries are held at historical cost less impairment. The Company assesses impairment annually, or as and when there are any indicators of impairment.

Cash and cash equivalents

Cash comprises cash on hand at financial institutions.

Financial instruments

i. Financial assets

The Company determines the classification of its financial assets at initial recognition. Trade receivables are amounts due from customers for services performed in the ordinary course of business. The Group has taken advantage of the measurement criteria in paragraph 5.1.3 of IFRS 9, Financial Instruments, to initially recognise trade receivables at their transaction price, as none of the trade receivables contain a significant financing component. Financial assets are derecognised only when the contractual rights to the cash flows are extinguished.

IFRS 9 establishes a model for recognition and measurement of impairments in financial instruments that are measured at amortised cost or fair value through other comprehensive income – the expected credit losses ('ECL') model. The nature of the Group's business is such that financial assets are short term in nature, so there is no difference between 12 month ECL, as recognised under Stage 1, and lifetime ECL, as recognised under Stage 2 or Stage 3. The Group has calculated expected credit losses based on its estimation of probability of default for the relevant class of assets and counterparty and has provided for accordingly.

ii. Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method under IFRS 9. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

Share capital

Share capital is classified as equity, provided that there is no present obligation to deliver cash or another financial asset to the holder, and is shown in called up share capital, and any costs associated with the issuance of shares are recorded as a deduction from equity.

Dividends

Dividends are recognised in equity in the period in which they are paid or, if earlier, when they are approved by the board of directors at the relevant board meeting and become irrevocable.

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Note 3 Revenue

(US Dollars \$'000)	Period ended 31 December 2021 Consolidated Group	Period ended 31 December 2021 Company
Revenue from return on intellectual property from other group companies	43,886	43,886
Revenue from services provided to external counterparties	2,296	-
Revenue	46,182	43,886

Note 4 Auditors' remuneration

(US Dollars \$'000)	Period ended 31 December 2021 Consolidated Group	Period ended 31 December 2021 Company
Fees payable to the Group's auditors for the audit of the Company's and Group's annual report and financial statements	93	93

Note 5 Operating profit/(loss)

The operating profit/(loss) is calculated after charging:

(US Dollars \$'000)	Period ended 31 December 2021 Consolidated Group	Period ended 31 December 2021 Company
Wages and salaries, including bonus and termination benefits	39,826	37,737
Depreciation of property, plant and equipment and right-of-use assets	166	150
Amortisation of intangible assets	1,111	177
Impairment of investment in subsidiary	-	8,972

All other expenses are incurred in the ordinary course of business.

Note 6 Personnel expenses

Personnel expenses for the Group (including directors) during the period were as follows:

(US Dollars \$'000)	Period ended 31 December 2021 Consolidated Group	Period ended 31 December 2021 Company
Wages and Salaries	5,655	3,566
Social security costs	792	792
Other Pension costs	113	113
Share-based payments	33,266	33,266
Total Personnel expenses	39,826	37,737

**Note 6****Personnel expenses (continued)**

The average number of employees, including Directors, during the period was 67 (Directors: 1*).

The compensation of key management, being those persons having the authority and responsibility for planning, directing and controlling the activities of the Group (including Directors*) was:

(US Dollars \$'000)	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
Short-term employee benefits	315	315
Social security	104	104
Share-based payments	32,954	32,954
Total Personnel expenses	33,373	33,373

*Two directors are paid by other group companies.

Highest paid Director

(US Dollars \$'000)	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
Short-term employee benefits	315	315
Social security	104	104
Share-based payments	32,954	32,954
Total	33,373	33,373

The table above reflects expenses paid or accrued by the Group and Company only, as it is not practicable to proportion the compensation of all key management employed by other companies in the Checkout Payments Group to identify the expense attributable to the Checkout Technology Group or Company. No share options granted for employment by the Group and Company were exercised by any of the directors in the period.

Note 7**Finance costs**

(US Dollars \$'000)	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
Financing costs	47	15
Lease interest	20	20
Total Finance costs	67	35

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**Note 8****Income tax expense**

(US Dollars \$'000)

	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
UK current taxation	-	-
Overseas current taxation	27	27
Deferred taxation	-	-
Tax charge for the period	27	27

The relationship between the expected tax charge based on the UK corporation tax rate of 19% and the actual tax charge recognised in the income statement can be reconciled as follows:

(US Dollars \$'000)

	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
Profit/(loss) before tax	5,011	(2,733)
Tax charge/(credit) based on the standard UK corporation tax rate of 19%	952	(519)
<i>Differences as a result of:</i>		
Non-deductible items	6,589	8,116
Group Relief for nil consideration	(5,343)	(5,343)
Amortisation of intangible assets	(2,227)	(2,227)
Deferred taxation not recognised	56	-
Tax charge for the period	27	27

Tax Balance Sheet positions

(US Dollars \$'000)

	31 December 2021	31 December 2021
	Consolidated Group	Company
Current tax:		
Overseas Corporation tax	(27)	(27)

Deferred taxes are recognised only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred taxes on the following gross balances have not been recognised as there is uncertainty whether they will be utilised in the foreseeable future.

(US Dollars \$'000)

	31 December 2021	31 December 2021
	Consolidated Group	Company
Fixed Asset Timing Differences	35,192	35,192
Share Based Payments	8,538	8,538
Foreign Exchange	1,337	1,337
Losses	294	-

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Note 9

Property, plant and equipment

(US Dollars \$'000)	Furniture and fittings Consolidated Group	Computer Equipment Consolidated Group	Total Consolidated Group	Furniture and fittings Company	Computer Equipment Company	Total Company
Cost						
Additions	37	403	440	37	403	440
Additions – Transferred from related company	-	7	7	-	7	7
Additions – Acquisition of business combination	130	12	142	-	-	-
Disposals	-	(12)	(12)	-	-	-
Foreign Exchange	(10)	(7)	(17)	(1)	(7)	(8)
Total	157	403	560	36	403	439
Accumulated Depreciation						
Additions – Acquisition of business combination	(68)	(6)	(74)	-	-	-
Disposal	-	7	7	-	-	-
Charge for the period	(18)	(34)	(52)	(3)	(33)	(36)
Foreign Exchange	5	1	6	-	1	1
Total	(81)	(32)	(113)	(3)	(32)	(35)
Total Net Book Value	76	371	447	33	371	404

Transactions with related parties are disclosed in note 19.

Note 10

Intangible assets

(US Dollars \$'000)	CONSOLIDATED GROUP			Total	COMPANY		
	Capitalised Software	Order Book	Platform Development		Capitalised Software	Platform Development	Total
Cost							
Additions	5	-	236	241	5	236	241
Additions – Transferred from related company	327	-	770	1,097	327	770	1,097
Additions – Acquisition of business combination	-	934	-	934	-	-	-
Foreign Exchange	-	-	(6)	(6)	-	(6)	(6)
Total	332	934	1,000	2,266	332	1,000	1,332
Accumulated Amortisation							
Additions – Transferred from related company	(1)	-	(203)	(204)	(1)	(203)	(204)
Charge for the period	(1)	(934)	(176)	(1,111)	(1)	(176)	(177)
Total	(2)	(934)	(379)	(1,315)	(2)	(379)	(381)
Total Net Book Value	330	-	621	951	330	621	951

Transactions with related parties are disclosed in note 19.

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**Note 11****Goodwill and Business Combinations**

(US Dollars \$'000)

31 December 2021

Cost

Additions

9,573

Total Cost and Net Book Value

9,573

Goodwill relates to the acquisition of Icefire Holdings OU and its subsidiaries (together the "Icefire" Group) on 11 June 2021. No goodwill impairment has been incurred as at the balance sheet date. The Group purchased 100% of the issued share capital of Icefire Holdings OU for consideration of €9m, thereby taking control of the entity and its day-to-day operations. Consideration comprised cash of €7.6m and deferred consideration of €1.4m, which is payable contingent upon the retention of a defined percentage of both employees and key employees for a period of two years from the acquisition date. The potential payable amounts are €nil, €1m or €1.5m, with the current expectation being that the full amount will be payable. No costs were capitalized as part of the acquisition.

The goodwill associated with the acquisition predominantly relates to expertise in IT development, which dovetails with the Checkout Technology Group's primary business in a location that fits well with the global footprint of the overall Checkout Payments Group, of which the Group is a member. The Icefire Group of companies is at a developed stage, which streamlines the integration into the Checkout Technology Group and allows the Checkout Payments Group as a whole to move forward more quickly. The balance sheet at acquisition comprised tangible fixed assets of c. €0.1m and net working capital (comprising accounts receivable, cash and short term liabilities) of €0.3m.

The Icefire Group contributed Revenue of \$2.3m and a net loss of \$0.3m to the Checkout Technology Group's results for the period.

Note 12**Trade and other receivables**

(US Dollars \$'000)

31 December 2021

31 December 2021

Consolidated Group

Company

Amounts receivable from parent undertakings

27,966

27,966

Amounts receivable from other group undertakings

15,920

15,920

Trade receivables

574

-

Other debtors

56

56

Prepayments

26

20

Total

44,542

43,962

Note 13**Liabilities – Short-term**

(US Dollars \$'000)

31 December 2021

31 December 2021

Consolidated Group

Company

Amounts due to parent undertakings

3,877

3,241

Amounts due to other group companies

2,581

2,581

Total

6,458

5,822

Transactions with related parties are disclosed in note 19.

Liabilities – Long-term

(US Dollars \$'000)

31 December 2021

31 December 2021

Consolidated Group

Company

Deferred Consideration Payable

1,634

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**Note 14****Cash and cash equivalents**

(US Dollars \$'000)

	31 December 2021	31 December 2021
	Consolidated Group	Company
Cash and Cash Equivalents	550	136

Cash and Cash equivalents represents cash at bank for the Group and Company.

Note 15**Called up share capital**

(US Dollars \$'000)

31 December 2021

Authorised, issued and fully paid: 6,483,816 ordinary shares of £1 each

8,969

Share Capital represents 100 ordinary shares of £1 each issued at incorporation, at a historic foreign exchange rate of £/\$1.32 and 6,483,716 ordinary shares of £1 each authorised and issued on 13 July 2021 at a historic foreign exchange rate of £/\$1.38.

Note 16**Leases****Right of Use Assets** (US Dollars \$'000)

	31 December 2021	31 December 2021
	Consolidated Group	Company
New Leases	994	994
Depreciation charge	(114)	(114)
Foreign exchange	(37)	(37)
Total	843	843

Lease Liabilities (US Dollars \$'000)

	31 December 2021	31 December 2021
	Consolidated Group	Company
Current Liabilities	324	324
Non-current Liabilities	528	528
Total	852	852

Amounts recognised in Income Statement (US Dollars \$'000)

	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
Interest payable on lease liabilities	20	20
Expenses on short-term leases	74	74

Amounts recognised in Statement of Cash Flows

(US Dollars \$'000)

	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
Total cash outflow for leases	125	125

**Note 16****Leases (continued)****Maturity analysis – contractual undiscounted cash flows** (US Dollars \$'000)

	31 December 2021	31 December 2021
	Consolidated Group	Company
Less than one year	371	371
One to five years	556	556

Leased assets comprised office property leased by the Estonian Branch of Checkout Technology Ltd recognised from 1 September 2021. The lease matures on 30 June 2024. The lease agreement contains provisions allowing the Group and Company to downsize the amount of office space with a notice period of one year, however there are currently no plans to downsize. There are no extension options or residual value guarantees.

Note 17**Employee Share Option Plan**

During the period, employees of the Group benefited from participating in an Employee Share Option Plan ("ESOP") put in place by Checkout Payments Group Limited, the ultimate parent company of the group. The following information is relevant in the determination of the fair value of options granted during the period under the equity-settled share based remuneration schemes operated by the Group. These options vest monthly, following an initial 12 month cliff, with the accounting according to the amortisation period of each award.

The shares are held by Checkout Employee Trust Limited.

Checkout Technology Ltd, as a standalone company, has no employees, so the disclosure prepared is for the consolidated group only.

	Period ended 31 December 2021
Option pricing model used	Black-Scholes model
Weighted average Share price at the grant date	\$289.82
Vesting period	5 years
Weighted average fair value per award at the grant date	\$214.98
Exercise price	\$86.87
Expiry date	October 2031 – December 2031
Grant date	October 2021 – December 2021

Number of Options Granted During the Period

	Period ended 31 December 2021
Granted during the period	572,480
Option Exercised during the period	-
Options Cancelled during the period	-
Balance at end of period	572,480

The total expense recognised within administrative expenses is \$33,266,420 for the period.

Options Granted During the Period

	Period ended 31 December 2021
Share price at grant date	\$236.80 - \$290.00
Volatility rate	25.46%
Dividend yield	-
Risk Free Rate	0.86% - 1.18%

Volatility was determined by reviewing peer companies.

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**Note 18****Cash used in operating activities**

(US Dollars \$'000)

	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
Profit/(Loss) for the period before tax	5,011	(2,733)
Adjustments for:		
Depreciation of property plant and equipment	167	151
Amortisation of intangible assets	1,111	177
Loss on disposal of property, plant and equipment	4	-
Impairment	-	8,972
Foreign exchange	10	9
Non-cash employee benefits – share based payments	33,266	33,266
Finance expense	67	35
Changes in working capital		
Net increase in Trade and Other receivables	(45,374)	(45,316)
Net increase in Other Taxation and Social Security	29	452
Net increase in Accruals and Deferred Income	1,087	934
Net Cash Used in Operating Activities	(4,622)	(4,053)

Note 19**Related party transactions**

(US Dollars \$'000)

	Period ended 31 December 2021	Period ended 31 December 2021
	Consolidated Group	Company
Amounts receivable from parent undertakings		
Checkout Payments Group Limited	27,966	27,966
Amounts receivable from other group undertakings		
Checkout Limited	7,637	7,637
Checkout MENA-FZ LLC	8,283	8,283
Amounts payable to parent undertakings		
Checkout Payments Group Limited	3,877	3,242
Amounts payable to other group undertakings		
Checkout Limited	1,847	1,847
CKO Technology Services Ltd	346	346
Checkout GmbH	388	388
Revenue generated from parent undertakings		
Checkout Payments Group Limited	27,966	27,966
Revenue generated from other group undertakings		
Checkout Limited	7,637	7,637
Checkout MENA-FZ LLC	8,283	8,283
Interest payable to parent undertakings		
Checkout Payments Group Limited	14	14

**Note 19****Related party transactions (continued)**

Transactions with related parties of the Group are detailed below:

Amounts receivable from parent undertakings, amounts receivable from other group undertakings, revenue generated from other group undertakings and revenue generated from parent undertakings relate to a return receivable for the use of intellectual property, intangible assets and employees of the group. The balances are non-interest bearing and repayable on demand.

Amounts payable to other Group undertakings relate to expenses paid for by other group companies that relate to the Group and amounts owed for the transfer of assets within the wider group to which the Company and Group belong. The balances are non-interest bearing and are repayable on demand.

Amounts payable to parent undertakings relate to:

Loans with an aggregate principal of €2,380,000 bearing an interest rate of 2.5%, used to fund the group's ongoing activities;

Amounts owed to parent undertakings for the acquisition of intangible assets (balances which are non-interest bearing and repayable on demand);

Expenses paid for on behalf of the Company and Group (balances which are non-interest bearing and repayable on demand).

Note 20**Ultimate controlling party**

Checkout Payments Group Limited, a company incorporated in Jersey, is the immediate and ultimate parent of the Company.

Guillaume Pousaz continues to be considered the ultimate controlling party by virtue of being the majority shareholder of Checkout Payments Group Limited.

Note 21**Investments in subsidiaries**

(US Dollars \$'000)	Place of business	% Ownership	Nature of business	Carrying value
Checkout Estonia OU	Harju Maakond Tallinn Kesklinna Linnaosa Jalgipalli tn 1 11312 Estonia	100% direct holding	Intellectual property and software development	

Checkout Technology Ltd also indirectly holds investments in Icefire Holdings OU, via its investment in Checkout Estonia OU, and in Icefire Finance OU and Icefire OU via its indirect investment in Icefire Holdings OU. The registered office of Icefire Holdings OU, Icefire Finance OU and Icefire OU are all the same as Checkout Estonia OU. In the standalone company records, the investment in Checkout Estonia OU was fully impaired during the period, as the employees and significant assets were moved to the Estonia Branch of Checkout Technology Ltd, leaving negligible value in the subsidiary entities.

Branches

Checkout Technology Ltd also conducts business through branches in Estonia, The Netherlands and Mauritius.

Estonia branch – located at the same address as Checkout Estonia OU and its Estonian subsidiaries

Netherlands Branch – Schiphol Boulevard 359, WTC Schiphol Airport, 1118BJ, Schiphol, The Netherlands

Mauritius Branch – Level 14-16 NEX Sky, Hotel Avenue, Cybercity, Ebene, Republic of Mauritius



Note 22

Financial instruments

The principal financial instruments used by the Group and Company, from which financial instrument risks arise are as follows:

(US Dollars \$'000)

Financial Assets	Group	Company
Amounts receivable from parent undertakings	27,966	27,966
Amounts receivable from other group undertakings	15,920	15,920
Trade receivables	574	-
Other debtors	56	56
Cash and Cash Equivalents	550	136
Total	45,066	44,078

(US Dollars \$'000)

Financial Liabilities	Group	Company
Amounts due to parent undertakings	3,877	3,242
Amounts due to other group companies	2,581	2,580
Lease liabilities	852	852
Deferred consideration	1,634	-
Total	8,944	6,674

Both the Group and Company consider that the carrying value of the above financial assets and financial liabilities, which are carried at amortised cost, to be equal to their fair value due to their short-term nature.

Note 23

Financial risk management

The activities of the Group and Company expose both to liquidity risk, market risk and credit risk.

In common with all other businesses, the Group and Company are exposed to risks that arise from their use of financial instruments and in foreign operations. This note describes the objectives, policies and processes for managing those risks and the methods used to measure them.

Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. Liquidity risk primarily arises from the timing of the receipt of receivables against the obligations of the Company and Group to make payments for operating activities.

The Group and Company primarily receive income from services provided to the wider group of companies that the Group belongs to, which is settled on a periodic basis. The Group and Company have obligations on a more frequent basis to make payments of operating expenses. In order to manage their liquidity, the Group and Company have entered in to an uncommitted loan facility with an upper limit of \$10m with their immediate and ultimate parent entity to allow them meet their obligations as they fall due, and to bridge the gap between the timing of the receipt of income and their payment obligations. Interest on the facility is agreed at the time of the delivery of a draw down notice, and the term is open ended.

**Note 23****Financial risk management (continued)****Market risk****i. Price risk**

Neither the Group or Company holds any financial instruments, which are subject to price risk.

ii. Currency risk

The Group and Company are exposed to currency risk from the jurisdictions in which they operate, predominantly Euro in relation to their Estonian activities and Mauritian Rupee, in relation to their Mauritian Branch activities. Both the Group and Company are in net liability positions in relation to their foreign currency exposures in both Euro and Rupee.

The sensitivity to both the income statement and reserves of a 10% change in the foreign currency rate are shown below:

(US Dollars \$'000)	Group	Company
Impact on Profit/(loss) after tax from a 10% change in the EUR/USD exchange rate	-	+/- 464
Impact on Profit/(loss) after tax from a 10% change in the MUR/USD exchange rate	+/- 20	+/- 52
Impact on Reserves (including Profit after Tax) from a 10% change in the EUR/USD exchange rate	+/- 616	+/- 464
Impact on Reserves (including Profit after Tax) from a 10% change in the MUR/USD exchange rate	+/- 52	+/- 52

iii. Interest rate risk

The Group and Company have no interest rate risk. The net interest expense in the financial statements arises from lease liabilities, borrowings from companies in the same wider group and discounting on the deferred consideration payable. All of these are at fixed interest rates, so the Group and Company have no sensitivity to changes in interest rates.

iv. Capital risk management

The Group and Company defines capital as total equity, which the Directors review on an ongoing basis. The capital objective of both the Group and Company is to maintain a strong and efficient capital base to support the Group's and Company's strategic objectives. The Directors will only declare dividends to the extent that the Group and Company can maintain this capital objective.

There has been no change to capital risk management policies during the period.

Credit risk

Credit risk is the risk of suffering financial loss should any of the Group's or Company's counterparties fail to fulfil their contractual obligations. Both the Group and Company assess all counterparties for credit risk before contracting with them. The Group and Company predominantly transact with companies within the same wider group as themselves, and hold no collateral against their exposures. None of the assets on either the Group's or Company's balance sheet are past due or individually impaired, and all counterparties have been assessed with a Strong credit rating. The Group has a small balance of outstanding receivables from market counterparties, which have all been received after the period end.

The Company has assessed the expected credit loss associated with its receivables and has determined that this loss would be immaterial.

All cash is held at banks with at least a Baa2 credit rating (investment grade).



Note 23

Financial risk management (continued)

Credit risk (continued)

The maximum exposure to credit risk associated with the Group's and Company's assets are:

Financial Assets	Group	Company
Amounts receivable from parent undertakings	27,966	27,966
Amounts receivable from other group undertakings	15,920	15,920
Trade receivables	574	-
Other debtors	56	56
Cash and Cash Equivalents	550	136
Total	45,066	44,078

