

**REGISTERED NUMBER: OC346322 (England and Wales)**

**REPORT OF THE MEMBERS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016  
FOR  
ASTROPAY LLP**

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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**ASTROPAY LLP**  
**GENERAL INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

<b>DESIGNATED MEMBERS:</b>	S E Fogel Kaplan Tikrel Investment S.A.
<b>REGISTERED OFFICE:</b>	4 King's Bench Walk Temple London EC4Y 7DL
<b>REGISTERED NUMBER:</b>	OC346322 (England and Wales)
<b>AUDITORS:</b>	Kirk Rice LLP Statutory Auditors The Courtyard High Street Ascot Berkshire SL5 7HP

**REPORT OF THE MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

The members present their report with the financial statements of the LLP for the year ended 31 December 2016.

**PRINCIPAL ACTIVITY**

The Company is a recognised cross-border payments processor, enabling international merchants access end users (customers) in Latin America and other high growth markets.

Operating under dlocal.com and astropay.com, the Company focuses on providing alternative payment methods to end users who are typically unbanked or underbanked, and therefore do not have international credit / debit cards and find it difficult to purchase digital goods on international websites.

The Company serves more than 400 international companies under three main verticals:

- e-commerce merchants - under dlocal.com;
- payment service providers - under dlocal.com; and
- e-gaming merchants - under astropay.com.

The Company assists these companies sell digital goods to and collect payments from end users located in high growth markets.

The Company offers several alternative payment methods, through collaboration and technical integration with regional financial institutions and acquiring banks: i) locally issued credit and debit cards; ii) online bank transfers from the end users' bank accounts; iii) invoices issued by the merchant, paid by the user in local regulated banks; and iv) closed loop pre-paid vouchers.

Leveraging its position as a recognised payments provider in Latin America, the Company's strategy is to continue its sustainable expansion into other high growth markets.

**DESIGNATED MEMBERS**

The designated members during the year under review were:

S E Fogel Kaplan  
Tikrel Investment S.A.  
E S Fernandez Balague - (resigned 20 December 2016)

**RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS**

The profit for the year before members' remuneration and profit shares was \$10,279,611 (2015 - \$5,785,873 profit).

**MEMBERS' INTERESTS**

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is agreed between the members at the beginning of the financial year, taking into account the anticipated cash needs of the LLP. Any variation will be agreed by the members.

Profits are allocated and divided between members after the finalisation of the financial statements. Prior to the allocation of profits and their division between members, drawings and on-account profit distributions are shown in debtors. Unallocated profits are shown in "Members' other interests".

New members are required to subscribe a minimum level of capital and in subsequent years members may be invited to subscribe for further capital depending on the needs of the business. Capital is repaid to members on retirement or on leaving the partnership. Capital is normally repaid within six months.

**PRESENTATIONAL CURRENCY**

The accounts are stated in US dollars as it is the Partners' opinion that this is the functional currency in which the LLP transacts. All other currencies are ultimately converted, consolidated and held in US dollars.

**REPORT OF THE MEMBERS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**STATEMENT OF MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under legislation applicable to limited liability partnerships the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

**AUDITORS**

The auditors, Kirk Rice LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE MEMBERS:**

Tikrel Investment S.A. - Designated member

10 May 2017

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ASTROPAY LLP**

We have audited the financial statements of Astropay LLP for the year ended 31 December 2016 on pages five to fourteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of members and auditors**

As explained more fully in the Statement of Members' Responsibilities set out on page three, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Members to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2016 and of its profit 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 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to LLPs requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Timothy Neale (Senior Statutory Auditor)  
for and on behalf of Kirk Rice LLP  
Statutory Auditors  
The Courtyard  
High Street  
Ascot  
Berkshire  
SL5 7HP

10 May 2017

ASTROPAY LLP (REGISTERED NUMBER: OC346322)

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 \$	2015 \$
<b>TURNOVER</b>		23,857,991	13,196,427
Cost of sales		<u>(6,423,517)</u>	<u>(3,813,972)</u>
<b>GROSS PROFIT</b>		17,434,474	9,382,455
Administrative expenses		<u>(7,154,863)</u>	<u>(3,596,582)</u>
<b>OPERATING PROFIT and PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		10,279,611	5,785,873
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>10,279,611</u>	<u>5,785,873</u>

The notes form part of these financial statements

**ASTROPAY LLP (REGISTERED NUMBER: OC346322)**

**BALANCE SHEET  
31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
<b>FIXED ASSETS</b>			
Intangible assets	6	424,348	-
<b>CURRENT ASSETS</b>			
Debtors	7	8,871,928	4,152,891
Cash at bank		<u>15,275,792</u>	<u>10,944,362</u>
		24,147,720	15,097,253
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(20,861,820)</u>	<u>(11,535,565)</u>
<b>NET CURRENT ASSETS</b>		<u>3,285,900</u>	<u>3,561,688</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
<b>and</b>			
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>3,710,248</u>	<u>3,561,688</u>
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS</b>			
	9	<u>3,710,248</u>	<u>3,561,688</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due to members	9	<u>3,710,248</u>	<u>3,561,688</u>

The financial statements were approved by the members of the LLP on 10 May 2017 and were signed by:

Tikrel Investment S.A. - Designated member



**RECONCILIATION OF MEMBERS' INTERESTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	EQUITY Members' other interests Other reserves \$	DEBT Loans and other debts due to members less any amounts due from members in debtors Other amounts \$	TOTAL MEMBERS' INTERESTS  Total \$
Amount due to members		3,561,688	
Amount due from members		-	
Balance at 1 January 2016	-	3,561,688	3,561,688
Profit for the financial year available for discretionary division among members	10,279,611	-	10,279,611
Members' interests after profit for the year	10,279,611	3,561,688	13,841,299
Other divisions of profit	(10,279,611)	10,279,611	-
Drawings	-	(10,131,051)	(10,131,051)
Amount due to members		3,710,248	
Amount due from members		-	
Balance at 31 December 2016	-	3,710,248	3,710,248

The notes form part of these financial statements

**RECONCILIATION OF MEMBERS' INTERESTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	EQUITY Members' other interests Other reserves \$	DEBT Loans and other debts due to members less any amounts due from members in debtors Other amounts \$	TOTAL MEMBERS' INTERESTS  Total \$
Amount due to members		622,372	
Amount due from members		-	
Balance at 1 January 2015	-	622,372	622,372
Profit for the financial year available for discretionary division among members	5,785,873	-	5,785,873
Members' interests after profit for the year	5,785,873	622,372	6,408,245
Other divisions of profit	(5,785,873)	5,785,873	-
Drawings	-	(2,846,557)	(2,846,557)
Amount due to members		3,561,688	
Amount due from members		-	
Balance at 31 December 2015	-	3,561,688	3,561,688

The notes form part of these financial statements

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>15,035,054</u>	<u>11,762,198</u>
Net cash from operating activities		<u>15,035,054</u>	<u>11,762,198</u>
<b>Cash flows from investing activities</b>			
Development of intangible fixed assets		<u>(572,573)</u>	<u>-</u>
Net cash from investing activities		<u>(572,573)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
<b>Transactions with members and former members</b>			
Payments to members		<u>(10,131,051)</u>	<u>(2,846,557)</u>
Net cash from financing activities		<u>(10,131,051)</u>	<u>(2,846,557)</u>
<b>Increase in cash and cash equivalents</b>		<u>4,331,430</u>	<u>8,915,641</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>10,944,362</u>	<u>2,028,721</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>15,275,792</u></u>	<u><u>10,944,362</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS TO CASH GENERATED FROM OPERATIONS**

	2016	2015
	\$	\$
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members	10,279,611	5,785,873
Amortisation charges	148,225	-
	<u>10,427,836</u>	<u>5,785,873</u>
(Increase)/decrease in trade and other debtors	(4,719,037)	2,359,657
Increase in trade and other creditors	9,326,255	3,616,668
<b>Cash generated from operations</b>	<u><u>15,035,054</u></u>	<u><u>11,762,198</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2016**

	31.12.16	1.1.16
	\$	\$
Cash and cash equivalents	<u>15,275,792</u>	<u>10,944,362</u>

**Year ended 31 December 2015**

	31.12.15	1.1.15
	\$	\$
Cash and cash equivalents	<u><u>10,944,362</u></u>	<u><u>2,028,721</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**1. STATUTORY INFORMATION**

Astropay LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the US Dollar (\$).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. The financial statements have been prepared under the historical cost convention.

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2016. Details on how FRS 102 has affected the reported financial position and financial performance can be found in note 12.

**Turnover**

Turnover is the amount derived from ordinary activities, and is measured at the fair value of the consideration received or receivable. Revenues are earned in two different streams:

Commissions represent fees to the merchants for the provision of the payment services, and are recognised when a transaction is entered into by the customer with a contracted merchant.

Currency conversion charges represent the charges on converting the transaction payments from local to international currency, in the form of an intentionally enhanced conversion rate, and are recognised at the time of the transaction.

**Intangible assets**

**Development expenditure**

Development of products is capitalised where there is expected to be a benefit to future periods and the following conditions are met:

- (i) It is technically feasible to complete the research or development so that the product will be available for use or sale; and
- (ii) It is intended to use or sell the product being developed; and
- (iii) The Company is able to use or sell the product; and
- (iv) It can be demonstrated that the product will generate probable future economic benefits; and
- (v) Adequate technical, financial and other resources exist so that product development can be completed and subsequently used or sold; and
- (vi) Expenditure attributable to the research and development work can be reliably measured.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses and amortised over its useful economic life. Assessments of useful economic life range from 3 to 5 years.

All other research and development expenditure is recognised as an expense in the period in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**3. EMPLOYEE INFORMATION**

There were no staff costs for the year ended 31 December 2016 nor for the year ended 31 December 2015.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**4. OPERATING PROFIT**

The operating profit is stated after charging:

	2016	2015
	\$	\$
Development costs amortisation	148,225	-
Auditors' remuneration	27,605	28,461
Bad debts	<u>98,994</u>	<u>585,094</u>

**5. INFORMATION IN RELATION TO MEMBERS**

	2016	2015
	\$	\$
The amount of profit attributable to the member with the largest entitlement was	<u>8,887,651</u>	<u>4,975,849</u>

	2016	2015
The average number of members during the year was	<u>2</u>	<u>2</u>

**6. INTANGIBLE FIXED ASSETS**

	Development costs \$
<b>COST</b>	
Additions	<u>572,573</u>
At 31 December 2016	<u>572,573</u>
<b>AMORTISATION</b>	
Amortisation for year	<u>148,225</u>
At 31 December 2016	<u>148,225</u>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u>424,348</u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	\$	\$
Trade debtors	8,667,649	4,065,261
Other debtors	157,306	87,630
Prepayments	<u>46,973</u>	<u>-</u>
	<u>8,871,928</u>	<u>4,152,891</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016	2015
	\$	\$
Trade creditors	17,818,558	9,057,775
Other creditors	2,180,689	2,477,790
Deferred income	566,484	-
Accrued expenses	<u>296,089</u>	<u>-</u>
	<u>20,861,820</u>	<u>11,535,565</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

**9. LOANS AND OTHER DEBTS DUE TO MEMBERS**

	2016	2015
	\$	\$
Amounts owed to members in respect of profits	<u>3,710,248</u>	<u>3,561,688</u>
Falling due within one year	<u>3,710,248</u>	<u>3,561,688</u>

Members' capital ranks after other creditors on a winding up.

**10. RELATED PARTY DISCLOSURES**

During the year, the LLP was provided with support services by one of its members, Tikrel Investments SA, at the cost of \$3,019,500 (2015: \$1,403,190). At the year end, an amount of \$160,754 (2015: \$437,632) was outstanding.

AP Brasil Consultoria Empresarial Ltd, a corporate entity under common control, provided support services to the LLP at the cost of \$734,532 (2015: \$295,126). It also acted as a collection agent for revenues, for which it received commission payments totalling \$1,884,526 (2015: \$1,100,628). At the year end, an amount of \$1,952,070 (2015: \$1,397,111) was owed by AP Brasil to the LLP.

Pagos y Servicios Astropay Ltda, an entity under common control, also acted as a collection agent for revenues, for which it received commission payments totalling \$575,408 (2015: \$368,306). At the year end, an amount of \$ 238,116 (2015: \$272,958) was owed by Pagos y Servicios Astropay Ltda to the LLP.

Astro Pay Panama SA, an entity under common control, also acted as a collection agent for revenues, for which it received commission payments totalling \$nil (2015: \$100,950). At the year end, an amount of \$104,509 (2015: \$4,643) was owed by Astro Pay Panama SA to the LLP.

Webpay SRL, an entity under common control, also acted as a collection agent for revenues, for which it received commission payments totalling \$937,492 (2015: \$336,984). At the year end, an amount of \$1,301,937 (2015: \$380,055) was owed by Webpay SRL to the LLP.

Tikrel Colombia SAS, an entity under common control, also acted as a collection agent for revenues, for which it received commission payments totalling \$253,393 (2015: \$112,991). At the year end, an amount of \$220,566 (2015: \$70,547) was owed by Tikrel Colombia SAS to the LLP.

Tikrel Mexico SRL de CV, an entity under common control, also acted as a collection agent for revenues, for which it received commission payments totalling \$258,957 (2015: \$nil). At the year end, an amount of \$188,701 (2015: \$nil) was owed by Tikrel Mexico SRL de CV to the LLP.

Payment Collection SRL, an entity under common control, also acted as a collection agent for revenues, for which it received commission payments totalling \$nil (2015: \$nil). At the year end, an amount of \$271,672 (2015: \$nil) was owed by Payment Collection SRL to the LLP.

Galactic Mark Limited, an entity under common control, also acted as a collection agent for revenues, for which it received commission payments totalling \$nil (2015: \$nil). At the year end, an amount of \$580,429 (2015: \$nil) was owed by Galactic Mark Limited to the LLP.

Dlocal Pte, an entity under common control, also acted as a collection agent for revenues, for which it received commission payments totalling \$nil (2015: \$nil). At the year-end, an amount of \$185,479 (2015: \$nil) was owed by Dlocal Pte to the LLP.

Emerge Global Ltd, an entity under common control, is a regulated payment institution (PI) and electronic money issuer (EMI) within the European Union. At the year-end, an amount of \$24,991 (2015: \$nil) was owed by EmERGE Global Ltd to the LLP.

All amounts stated above are unsecured and are expected to be settled in the normal course of business.

**11. ULTIMATE CONTROLLING PARTY**

The controlling party is Tikrel Investment S.A. .

There is no ultimate controlling party.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**12. FIRST YEAR ADOPTION**

The company had adopted FRS 102 for the year ended 2016 and has restated the comparative prior year amounts.

**Changes for FRS 102 adoption**

The total changes arising on transition to FRS 102 are immaterial to the financial statements and thus the reconciliations have not been disclosed.



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