

Company Number: 07653641 (England and Wales)

PPRO Financial Ltd
Directors' Report and Financial Statements
For the Year ended 31 December 2021

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PPRO Financial Ltd

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PPRO Financial Ltd
Company Information

For the year ended 31 December 2021

Directors

Simon Black
Stefan Merz
Rahul Raswant (Appointed 13/06/2022)
Bernard Miles (Appointed 07/02/2023)
Götz Möller (Resigned 13/06/2022)

Registered Office

48 Chancery Lane
Holborn
London
WC2A 1JF
United Kingdom

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

PPRO Financial Ltd

Strategic Report

For the year ended 31 December 2021

The directors present the strategic report and the financial statements for the year ended 31 December 2021.

Business Review

PPRO Financial Ltd is an FCA registered e-money institution and provides payment processing for various customers located globally. The company operates from offices based both in the UK and in Germany.

PPRO Group formed PPRO Payment Services S.A. (PPSSA) in Luxembourg in 2019 to comply with post BREXIT regulations whereby PPSSA contracts with EU payment methods on behalf of the Company. PPSSA is a wholly owned subsidiary of the parent company, PPRO Holding GmbH. It was granted a payment institution license by the Luxembourg regulator, CSSF, on 18 November 2020. 2021 was the first operational year in which PPSSA has contracted with the EU based payment methods and collected funds to remit to customers, delivering this pay out service for customers contracted with the Company. In providing this service, PPRO Payment Services S.A. has also maintained the customer funds banking network for the group and as a result, less cash is being held within the Company.

During the year the company has continued the process of extending its service offering by integrating new payment methods for our customers into the PPRO platform. The relevant costs for these have been capitalised as intangible fixed assets (additions of €2.5m in 2021) with a total net book value as at 31 December 2021 of €7.4m (2020: €5.7m). These assets are being amortised over their useful economic life of 10 years.

Total turnover for the company increased by 30% to €56.3m (2020: €43.5m). The increase in turnover is a satisfactory result when considering the impact of COVID-19. Cost of sales have decreased due to the costs now being covered by PPRO Payments Services S.A. A transfer pricing agreement has been in place for the full year to share profits across the group.

Administrative costs have increased from €41.7m (restated – see note 21) in 2020 to €55m in 2021. This is mainly due to an increase in salaries (Headcount of 180 at the end of 2021 compared to 124 at the end of 2020) and increase in intercompany recharges as part of transfer pricing agreement mentioned earlier.

The financial performance indicators show a positive growth in turnover (30%) for 2021. The increase in administration expenses including in particular software development resulted in a decrease in EBITDA year over year of c. €1m.

PPRO Financial Ltd

Strategic Report

For the year ended 31 December 2021

The company's key performance indicators during the year were as follows:

	2021	2020
		Restated*
	€	€
Turnover	56,348,018	43,458,356
Gross profit	32,993,119	27,702,691
Operating (loss)*	(11,201,747)	(9,827,665)
EBITDA*	(9,876,499)	(8,782,945)
Software Development	7,419,752	5,730,793

*See note 21 for details of the restatement

Outlook

In a challenging macroeconomic environment, the company delivered 30% revenue growth. 2021 was a turbulent time for the global economy with COVID-19 lockdowns being enforced and lifted across the world, and ongoing economic uncertainty.

Management will continue to review forecasting of revenues and costs, in line with objectives and key results (OKRs) to ensure resources are used in the most efficient and effective manner to mitigate any downturn in global market activity.

The Group has continued and will continue to make significant investments in technology and people to drive future growth.

Generally, the Board believes that PPRO is well positioned to continue the pattern of growth.

A summary of the principal risks and uncertainties is shown below.

Principal risks and uncertainties

The principal risks facing the company can be categorised as regulatory, market and financial risks.

PPRO Financial Ltd

Strategic Report

For the year ended 31 December 2021

Regulatory risks

The company operates in an electronic funds based industry with risk of fraudulent activity and money laundering. Appropriate KYC (Know-Your-Client) procedures are implemented to adhere to money laundering regulations and stringent controls and procedures are implemented at the transaction level.

The company is a registered payment institution and is required to comply with FCA legislation and requirements within its relevant permissions. The company is aware of the permissions and requirements and meets compliance requirements.

The company has taken measures to ensure it is compliant with its regulatory requirements as an FCA authorised payment institution for the year ending 31 December 2021. In particular the company strictly fulfils the following legislative requirements under the UK Electronic Money Regulations 2011 ("EMRs"):

1. Regulation 19(1): maintaining at all times own funds equal to or in excess of (i) EUR 350,000 or (ii) the amount of own funds requirement calculated in accordance with paragraph 13 of Schedule 2 (subject to adjustment by the FCA).

2. Regulation 20(1), (2): safeguarding funds that have been received in exchange for electronic money that has been issued (referred to as "relevant funds" within the EMRs) in accordance with regulation 21.

3. Regulation 21(1)-(5): Safeguarding relevant funds by:

- Segregating relevant funds from any other funds the company holds [Regulation 21(1)];
- Placing relevant funds in a separate account the company holds with an authorised credit institution based in the EEA [Regulation 21(2)(a)];
- Ensuring such an account is designated in a manner that demonstrates it is an account held for the purpose of safeguarding relevant funds [Regulation 21(3)(a)]; and
- Ensuring such an account is only used for holding such funds [Regulation 21(3) (b)].

4. Regulation 21(5): Keeping adequate records of relevant funds held.

PPRO Financial Ltd as an authorised payment institution has complied with all the prerequisite applicable requirements set out under Part 2 of the EMRs (in particular regulations 5 and 6) including providing requisite information on the business; a sound business plan; meeting company incorporation requirements; satisfying the FCA of robust governance arrangements in place across the business; and maintaining effective risk-mitigation processes and adequate internal control mechanisms.

PPRO Financial Ltd

Strategic Report

For the year ended 31 December 2021

Market risks

The company operates in a fast changing technology industry. The company maintains up to date payment processing services, functionality, and software through development of new software and programs and by purchasing related qualified services from affiliated companies.

Financial risks

The company has treasury and liquidity management procedures in place appropriate to the size and complexity of the business.

The company operates multiple foreign currency bank accounts and generally settles debtors and creditors in matching currencies to mitigate the foreign exchange risk. Foreign currency risk is managed at a Group level, focusing on two distinct areas: Group assets and liabilities and customer transactions (relating to the Group's payment business). Scheme receipts generally match customer payments in each currency.

Credit risk

The company has engaged with a number of banking partners to mitigate the credit risk arising from the failure of a specific bank.

Going Concern

Whilst Coronavirus continued to affect the world in 2021, the market in which PPRO operates, electronic commerce with a strong focus on the retail segment, is generally profiting from changes in customer behaviour since people worldwide have moved their shopping from the point-of-sale world to the online world.

The ongoing situation in Ukraine is affecting the global economy and cost of living. This has impacted current growth plans but management monitors this through regular reforecasting.

Employees have been able to seamlessly work from home during the pandemic. During the year, in line with government guidance, offices have reopened, and we have welcomed employees back to ensure we can collaborate and work effectively as a team.

PPRO Financial Ltd

Strategic Report

For the year ended 31 December 2021

Environmental and employee matters

The company undertakes reasonable efforts to safeguard the environment in the execution of business operations by using technology to reduce possible negative impacts. The company considers disclosure to be an essential component of effective corporate governance by placing high value on employees of the organization being able to understand the operations, goals, and values.

Directors' statement of compliance with duty to promote the success of the company

The Companies (Miscellaneous Reporting) Regulations 2018 require that Directors explain how they have had regard to the matters set out in section 172(1)(a) to (f) (S.172(1)) of the Companies Act 2006 when performing their duty to promote the success of the company. Throughout the year, while discharging their S.172(1) duty, the directors have acted in a way that they considered, in good faith, would be most likely to promote the success of the company for the benefit of shareholders, and in doing so had regard, amongst other matters, to:

- The likely consequences of any decision in the long term.
- The interests of the company's employees.
- The need to foster the company's business relationships with suppliers, customers, and others.
- The impact of the company's operations on the community and environment.
- The desirability of the company maintaining a reputation for high standards of business conduct.
- The need to act fairly between members of the company.

The directors also considered the interests of a wider set of stakeholders including its fellow PPRO group companies, and business partners. The section below sets out the company's stakeholders, the key issues the directors considered relevant, and the engagement methods of directors and responses during the year.

Our people

Developing and attracting high quality talent is a key driver of our success. We strive to build leadership teams which are diverse, effective, and engaged. Our employees are a key source, dedicated to creating, selling and supporting our products and services. We engage with employees through an employee communication app, regular meetings, and an annual engagement survey.

Customers and Suppliers


Our customers play an essential role in ensuring the sustainability of the Group. By providing our digital payments infrastructure to the end market, they play a pivotal role in the fulfilment of our purpose. Developing strong relationships with our suppliers is key to the operational

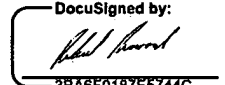
PPRO Financial Ltd
Strategic Report

For the year ended 31 December 2021

success of our businesses and ensures that we have agility to develop new and market competitive solutions to meet our customers' needs.

Approved by the board on 06 March 2023 and signed on its behalf by:

DocuSigned by:

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Simon Black
Director

DocuSigned by:

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Rahul Raswant
Director

PPRO Financial Ltd Directors Report

For the year ended 31 December 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors

The following directors have held office in the current year:

Simon Black

Stefan Merz

Götz Möller (Resigned 13/06/2022)

Rahul Raswant (Appointed 13/06/2022)

Bernard Miles (Appointed 07/02/2023)

There are no other changes in the above from 1 January 2021 to the date that the accounts are signed.

Going Concern

After reviewing the Company's financial position, performance projections (including, where relevant, the impact of the COVID-19 pandemic and current geopolitical tensions) and available banking facilities, for at least the next 12 months from the date of signing these financial statements, the Company will be reliant on PPRO Holding GmbH to meet its liabilities as they fall due for that period.

PPRO Holding GmbH has indicated its intention to continue to make available funds as needed by the Company for the period covered by the forecasts. Therefore, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future.

As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on these indications, the Directors have adopted the going concern basis in preparing these financial statements.

In 2021, PPRO Holding GmbH injected 28.2m EUR into PPRO Financial Ltd to comply with the FCA regulations regarding capital adequacy.

Dividends

The directors do not recommend making payments by way of dividend (2020: nil).

PPRO Financial Ltd Directors Report

For the year ended 31 December 2021

Post Balance Sheet Events

On 27th September 2022, in order to comply with FCA regulations regarding capital adequacy, PPRO Holding GmbH supplied a further injection of capital to the value of 1.5M EUR.

On 26th January 2023, in order to comply with FCA regulations regarding capital adequacy, PPRO Holding GmbH supplied a further injection of capital to the value of 1M EUR.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

A resolution to re-appoint KPMG LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

Approved by the Board of Directors on 06 March 2023 and signed on its behalf by:

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451F550B4F0C4AA...
Simon Black
Director

DocuSigned by:

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Rahul Raswant
Director

PPRO Financial Ltd

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

For the year ended 31 December 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

PPRO Financial Ltd

Independent Auditor's Report to the members of PPRO Financial Ltd

Opinion

We have audited the financial statements of PPRO Financial Limited ("the Company") for the year ended 31 December 2021 which comprise the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

PPRO Financial Ltd
Independent Auditor's Report to the members of PPRO Financial Ltd

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and operational management including inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of revenue is straightforward with no judgement involved in the calculation.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria, including high-risk journal entries and other adjustments made at the end of the reporting period.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

PPRO Financial Ltd

Independent Auditor's Report to the members of PPRO Financial Ltd

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company's license to operate. We identified the following areas as those most likely to have such an effect: data protection laws, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the [strategic report and the] directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

PPRO Financial Ltd Independent Auditor's Report to the members of PPRO Financial Ltd

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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
- certain disclosures of directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit. We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page [9], the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not

PPRO Financial Ltd
Independent Auditor's Report to the members of PPRO Financial Ltd

accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Michael McGarry (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
15 Canada Square
London
E14 5GL

06 March 2023

PPRO Financial Ltd
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2021

		2021	2020 Restated*
	Note	€	€
Revenue	2	56,348,018	43,458,356
Cost of sales		(23,354,899)	(15,755,665)
Gross profit		32,993,119	27,702,691
Administrative expenses		(54,976,327)	(41,703,040)
Other operating income	3	10,781,461	4,172,684
Operating Loss	4	(11,201,747)	(9,827,665)
Interest receivable and other financial income	7	6,560	10,295
Interest payable and other financial expense	8	(141,145)	(148,424)
Loss before taxation		(11,336,332)	(9,965,794)
Tax on loss	9	(1,506,554)	375,415
Loss for the financial year		(12,842,886)	(9,590,379)
Other Comprehensive Income:			
<i>Items that will not be reclassified to profit or loss:</i>			
Valuation movement on equity investments	18	53,883	32,484
Tax related to items that will not be reclassified	9	(63,064)	(6,172)
Other comprehensive (Loss)/Income for the year, net of tax		(9,181)	26,312
Total comprehensive Loss for the year		(12,852,067)	(9,564,067)

*See note 21 for details of the restatement.

The notes on pages 24 to 56 form an integral part of these financial statements.

PPRO Financial Ltd
Statement of Financial Position
For the year ended 31 December 2021

		2021	2020	2019
	Note	€	Restated*	Restated*
			€	€
Assets				
<i>Non-current assets</i>				
Intangible assets	11	8,098,989	6,347,466	5,284,626
Property, plant and equipment	12	415,358	366,616	74,822
Right of use asset	12	688,678	811,164	34,821
Fair value through other comprehensive income investments	18	880,436	826,553	794,069
Deferred tax asset	10	-	1,388,281	1,388,281
Total non-current assets		<u>10,083,461</u>	<u>9,740,080</u>	<u>7,576,619</u>
<i>Current assets</i>				
Trade and other receivables		114,189,645	39,836,016	21,631,909
<i>Thereof Business Funds</i>	14	17,350,335	5,695,455	4,211,710
<i>Thereof Customer Funds</i>	14, 21	96,839,310	34,140,561	17,420,199
Cash at bank and in hand		7,415,976	60,380,061	45,790,572
<i>Thereof Business Funds</i>		4,214,116	310,610	592,968
<i>Thereof Customer Funds</i>	21	3,201,860	60,069,451	45,197,604
Total current assets		<u>121,605,621</u>	<u>100,216,077</u>	<u>67,422,481</u>
Total Assets		<u>131,689,082</u>	<u>109,956,157</u>	<u>74,999,100</u>
Equity and liabilities				
<i>Capital and reserves</i>				
Called up share capital	16	542,625	542,625	542,625
Capital reserves	17	44,657,500	16,457,500	12,457,500
Share Based Payments Reserve	17	4,577,162	902,483	750,866
Other reserves	17	168,143	168,143	168,143
Equity investment reserve	17	725,959	735,140	708,828
Profit and loss account	17	(30,313,557)	(17,470,671)	(7,880,292)
Total Equity		<u>20,357,832</u>	<u>1,335,220</u>	<u>6,747,670</u>

PPRO Financial Ltd
Statement of Financial Position
For the year ended 31 December 2021

	Note	2021 €	2020 Restated* €	2019 Restated* €
<i>Non-current liabilities</i>				
Deferred tax liabilities	10	623,140	441,803	376,343
Lease liabilities		720,796	895,780	-
Trade and other payables		1,800,000	1,000,000	-
<i>Thereof Business Funds</i>	15	1,800,000	-	-
<i>Thereof Customer Funds</i>	15, 21	-	1,000,000	-
Total non-current liabilities		3,143,936	2,337,583	376,343
<i>Current liabilities</i>				
Trade and other payables		108,187,314	106,283,354	67,875,087
<i>Thereof Business Funds</i>	15	7,813,120	13,877,454	5,314,333
<i>Thereof Customer Funds</i>	15, 21	100,374,194	92,405,900	62,560,754
Total current liabilities		108,187,314	106,283,354	67,875,087
Total equity and liabilities		131,689,082	109,956,157	74,999,100

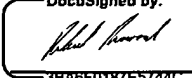
* See note 21 for details of the restatement.

The notes on pages 24 to 56 form an integral part of these financial statements.

The financial statements on pages 24 to 56 were approved and authorised for issue by the Board of Directors on 06 March 2023 and were signed on its behalf by:

DocuSigned by:

451F55UBAFUC4AA...
Simon Black
Director

DocuSigned by:

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Rahul Raswant
Director

PPRO Financial Ltd
Statement of Changes in Equity
For the year ended 31 December 2021

	Share Capital	Capital Reserve	Share Based Payment Reserve	Equity investment reserve	Other Reserves	Retained Earnings	Total Equity
	€	€	€	€	€	€	€
Balance at 1 January 2020 (as previously reported)	542,625	12,457,500	-	708,828	168,143	(7,186,475)	6,690,621
Prior year adjustment (see note 20)	-	-	750,866	-	-	(693,817)	54,049
Balance at 01 January 2020 Restated*	542,625	12,457,500	750,866	708,828	168,143	(7,880,292)	6,747,670
Increase in capital reserves	-	4,000,000	-	-	-	-	4,000,000
Equity-settled share-based payment transactions (restated - see note 21)	-	-	151,617	-	-	-	151,617
(Loss) for the year (restated - see note 21)	-	-	-	-	-	(9,590,379)	(9,590,379)
Other comprehensive income							
- revaluation gain on Visa Inc. share	-	-	-	26,312	-	-	26,312
Balance at 31 December 2020 Restated*	542,625	16,457,500	902,483	735,140	168,143	(17,470,671)	1,335,220

PPRO Financial Ltd
Statement of Changes in Equity
For the year ended 31 December 2021

	Share Capital	Capital Reserve	Share Based Payment Reserve	Equity investment reserve	Other Reserves	Retained Earnings	Total Equity
	€	€	€	€	€	€	€
Balance at 01 January 2021 Restated*	542,625	16,458,500	902,483	735,140	168,143	(17,470,671)	1,335,220
Increase in capital reserves	-	28,200,000	-	-	-	-	28,200,000
Equity-settled share-based payment transactions	-	-	3,674,679	-	-	-	3,674,679
(Loss) for the year	-	-	-	-	-	(12,842,886)	(12,842,886)
Other comprehensive income							-
- revaluation loss on Visa Inc. share	-	-	-	(9,181)	-	-	(9,181)
Balance at 31 December 2021	542,625	44,658,500	4,577,162	725,959	168,143	(30,313,559)	20,357,832

* See note 21 for details of the restatement.

PPRO Financial Ltd
Statement of Cash Flows
For the year ended 31 December 2021

	2021	2020
	€	Restated * €
Note		
Cash flows from operating activities		
(Loss) for the year	(12,842,886)	(9,590,379)
Adjustment for:		
Depreciation, amortisation and impairment charges	11, 12 1,325,250	1,068,117
Net interest payable	134,584	138,130
Tax expense/(credit)	1,506,554	(375,415)
Movement on equity investments	3,674,679	151,617
Exchange loss/(gain) on third party deposits	(6,523)	4,830
	<u>(6,208,342)</u>	<u>(8,603,100)</u>
(Increase)/Decrease in trade and other receivables (Business funds)	(12,093,209)	(2,640,615)
(Increase)/Decrease in trade and other receivables (Customer funds)	(62,698,748)	(1,582,934)
Increase/(Decrease) in trade and other payables (Business funds)	(4,439,319)	9,566,395
Increase/(Decrease) in trade and other payables (Customer funds)	6,968,294	17,101,575
(Increase)/Decrease in restricted cash balance	56,867,591	(14,871,854)
Cash outflow from operations	<u>(21,603,733)</u>	<u>(1,030,533)</u>
Tax received	444,851	12,109
<i>Net cash (outflow) from operating activities</i>	<u>(21,158,882)</u>	<u>(1,018,424)</u>
Investing activities		
Investment in intangible assets	(2,768,609)	(1,862,415)
Purchase of tangible fixed assets	(158,252)	(343,581)
Disposal of tangible fixed assets	-	164
Interest received	6,561	10,295
Deposits received	-	73,291
Capitalisation of Right of Use Asset	(76,166)	(993,264)
<i>Net cash used in investing activities</i>	<u>(2,996,466)</u>	<u>(3,115,510)</u>
Financing activities		
Cash proceeds from capital investment	28,200,000	4,000,000
Interest paid	(141,146)	(148,424)
<i>Net cash from financing activities</i>	<u>28,058,854</u>	<u>3,851,576</u>
Net increase/(decrease)increase in cash and cash equivalents	<u>3,903,506</u>	<u>(282,358)</u>
Cash and cash equivalents at beginning of year (Business Funds)	310,610	592,968
Cash and cash equivalents at end of year (Business Funds)*	4,214,116	310,610

***Company only statement of cash flows (excluding Customer Funds fully segregated from Business Funds)**

PPRO Financial Ltd
Notes to the Financial Statements
For the year ended 31 December 2021

1. Basis of preparation

The financial statements of PPRO Financial Ltd at 31 December 2021 have been prepared in accordance with UK-adopted international accounting standards and have been prepared in accordance with the requirements of the Companies Act 2006.

This section sets out the accounting policies of PPRO Financial Ltd that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

The Directors have considered the Company's business activities, together with the factors likely to affect its future development, performance and position. The Directors have also assessed the financial risks facing the Company, its liquidity position and available funding facilities.

The Directors have specifically considered the ongoing impact of Covid-19, the Ukraine / Russia conflict and inflation as set out in the Directors' Report. In making their assessment, the Directors have assessed profitability and cash flow forecasts for the Company, prepared for the period to 30 June 2024 (the forecast period), and adjusted for sensitivities considered by the Board to be severe but plausible in relation to both trading performance and cash flow requirements. PPRO Holding GmbH has indicated its intention to continue to make available funds as needed by the Company for the period covered by the forecasts. Therefore, the Directors are satisfied that the Company has adequate access to resources to enable it to meet its obligations and to continue in operational existence for the foreseeable future. Sensitivities have been applied to the market conditions, as well as applying sensitivities to our key strategic activities and in respect to the inflation and supply constraints, as well as taking into account mitigating actions available.

After making all appropriate enquiries, the Directors have not identified any material uncertainties and have a reasonable expectation that the Company and the Company has access to adequate resources to enable them to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Company's financial statements.

The Company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The registered office address is 48 Chancery Lane, Holborn, London, WC2A 1JF.

The financials for year ended 31 December 2021 include prior year restatements related to the recognition of customer funds and VESOPs as detailed in Note 21.

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

1.1 Changes in accounting policies

The following standards had to be applied for the first time during the reporting period but did not have any material impact:

- Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (effective 1 June 2020)
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (effective 1 January 2021)
- Amendments to IFRS 4, Insurance Contracts – deferral of IFRS 9

Following the UK exit from the EU on 31 December 2020, UK registered entities preparing accounts under IFRS will be required to use UK-Adopted International Accounting Standards for financial periods beginning on or after 1 January 2021.

The UK Endorsement Board (UKEB) has been set up to endorse and adopt new or amended International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Impact of new accounting standards

PPRO Financial Limited does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the company.

The following is a list of other new and amended standards which had been issued by the IASB but which are effective in future periods.

- IFRS 17 (including the June 2020 amendments to IFRS 17) Insurance Contracts
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IFRS 3 Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
- Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018-2020 Cycle Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture 27
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to IAS 8 Definition of Accounting Estimates

PPRO Financial Ltd
Notes to the Financial Statements (continued)

For the year ended 31 December 2021

- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

1.2 Accounting policies

Intangible Assets

Intangible assets consist of licenses, acquired and internally developed software.

Self-developed Software (PPRO Financial LTD.) is recognized at development cost and amortised over the estimated lifetime cycle of the software, which is 10 years.

Capitalization costs are based on the assessment by management that technical and commercial viability has been established; as a rule this will be the case where a product development project has reached an assessable level. Development costs are capitalised in accordance with the amount of time spent by the development team on the project and amortised accordingly over time from the moment the product is ready for use. During the development phase an annual impairment test is performed to ensure the assumptions that management have made are valid.

Research costs are expensed through profit and loss in the period in which they occur. The cost of development activities are capitalised at that moment when the development can be reliably assessed, this means that the product or process is technically and commercially viable and a future economic benefit is probable.

Licenses are recognized at development cost and amortised over the estimated lifetime, which is 10 years.

Property, plant and equipment

The costs of property, plant and equipment comprise the purchase price including any ancillary acquisition costs. Maintenance and repair costs are charged to profit and loss as incurred.

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life.

Office furniture & equipment	5 years straight line
Fixtures & Fittings	3 years straight line
Computer equipment	3 years straight line

Financial Assets

Financial assets are recognized in the statement of financial position if the company has a contractual right to receive cash or cash equivalents or other financial assets from some other

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

party. Financial assets are reported and evaluated in accordance with IFRS 9 (Financial Instruments: Recognition and Measurement).

The carrying amounts of each of the following categories as specified in IFRS 9, shall be disclosed either in the statement of financial position or in the notes:

- Fair value through profit or loss.
- Fair value through other comprehensive income.
- Amortised cost.

The company classifies its financial assets at the time of the initial recognition. Financial assets are measured at fair value when initially recognized. When financial instruments are not classified at fair value in profit or loss, transaction costs directly assignable to the acquisition of the assets are additionally taken into account.

The company's financial assets comprise cash as well as current deposits, trade receivables, customer funds and other receivables. The following valuation of financial assets depends on their classification as detailed below:

Fair value through profit or loss

Financial assets to be measured at fair value through profit or loss comprises financial assets held for trading and financial assets designated as measured at fair value through profit of loss at initial recognition (fair value option). The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being fair value through profit or loss.

Fair value through other comprehensive income investments

The company has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the company considers this measurement to be the most representative of the business model for these assets. Equity investments are measured at Fair Value Through Other Comprehensive Income (FVOCI) under IFRS 9. All fair value movements in respect of those assets are recognised in other comprehensive income and accumulated in the equity investment reserve.

The VISA shares held by the company are considered to be an equity investment, and as such have been classified as fair value through other comprehensive income.

Amortised cost

Financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Cash and cash equivalents include cash in hand and other short term highly liquid cash accounts. Customer fund debtors exist

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

where transactions have been recorded upon succeeding through the PPRO platform but PPRO have yet to receive the cash.

An impairment provision assessment was carried out under the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. The assessment demonstrated that the losses incurred from trade receivables over 3 years should be between 3-4% of the total trade receivables balance. The impairment provision is in line with the company's accounting policy of providing a provision on outstanding invoices greater than 60 days.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Derecognition

A financial asset is derecognized if one of the following requirements has been met:

- The contractual rights to receive cash flows from a financial asset have expired.
- Financial assets measured at fair value through other comprehensive income in accordance with paragraph 4.1.2A of IFRS 9, showing separately the amount of gain or loss recognised in other comprehensive income during the period and the amount reclassified upon derecognition from accumulated other comprehensive income to profit or loss for the period.

If the company transfers its contractual rights to cash flows arising from an asset or enters into a "pass-through" arrangement and thereby does not mainly transfer or retain all opportunities or risks associated with this asset, but retains control of the asset transferred, the company recognizes an asset to the extent of this ongoing commitment.

In this case, the company also recognizes an associated liability. The transferred asset and the associated liabilities are measured in such a manner as to duly take account of the rights and obligations retained by the company. If the ongoing commitment takes the form of guaranteeing the asset transferred then the scope of the ongoing commitment will correspond to the lower of either the original carrying amount of the asset or the maximum amount of the consideration received that the company might have to repay.

PPRO Financial Ltd
Notes to the Financial Statements (continued)

For the year ended 31 December 2021

Cash and cash equivalents

Cash in hand and demand deposits are classified as cash, whilst cash equivalents comprise current, liquid financial investments that can be converted at any time into certain amounts of cash. Cash segregated into specific customer funds accounts to be remitted to customers is also reflected here.

Trade receivables impairment provisions

A trade receivable is impaired when there is objective evidence that, due to events since the trade receivable was created; the company cannot recover the original expected cash flows from the trade receivable. The impairment loss is the difference between the carrying value and the present value of estimated future cash flows.

Financial liabilities

The company classifies its financial liabilities on initial recognition. Financial liabilities are recognized initially at fair value, plus directly attributable transaction costs in the case of loans. The company's financial liabilities include trade and other payables, bank overdrafts, and loans. Customer fund liabilities exist where a customer is awaiting payout for succeeded payments processed through the PPRO platform.

Liabilities measured at amortised cost

After initial recognition, interest-bearing loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognized in the income statement if the financial investments are derecognized, or within the scope of amortisation.

Fair value of financial instruments

According to IFRS 13, fair value is defined as the price that would, in a normal transaction between market participants on the measurement date, be received for the sale of an asset, or be paid for the transfer of liability.

The fair value of financial instruments that is traded on an organized financial market at the reporting date is categorized in Level 1 of the fair value hierarchy. Most of the financial instruments of the company are categorized in Level 1 as the carrying amounts correspond to their fair values based on the observable contractual obligations for both receivable amounts that are expected to be recovered and payable amounts that are expected to be paid at the value that they are carried at in the financial statements.

For those instruments where there is no market quotation on the active market, fair value is calculated using observable market prices for comparable instruments, or using standard market valuation methods. This entails applying measurement parameters that are observable

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

either directly or indirectly on active markets (Level 2 of the fair value hierarchy). This may include using techniques like recent arm's length transactions, reference to the current fair value of another instrument that is substantially the same, a discounted cash flow analysis or other valuation models. The company does not consider any of its financial instruments to fall into the Level 2 category.

For those financial instruments, where fair value cannot be calculated either directly using market quotations, or indirectly through valuation models that are based on observable measurement parameters or other market quotations, these are classified as relating to Level 3 of the fair value hierarchy. The value of the Visa Europe share is the only financial instrument that the company holds which falls under the level 3 category.

Equity instruments

Equity instruments issued by the company are recognized at the proceeds received net of direct issue costs in share capital and capital reserve.

Provisions

Provisions are recognized if the company has an obligation as a result of a past event which means that an outflow of resources with economic benefits to fulfil the obligation is probable and a reliable estimate of the amount of the obligation is possible. Provisions are reported under liabilities. The costs of setting up provisions are reported in the income statement. Gains resulting from the reversal of provisions are recognized under other operating income.

Related parties

In accordance with IAS 24 (related party disclosure), parties related to the company comprise the members of the Management Board of PPRO Holding GmbH and its subsidiaries.

Foreign exchange

The financial statements of the company are presented in Euro, which is the functional currency of the company due to the majority of revenue and costs in this currency, and the presentational currency of the Group.

If foreign exchange occurs the company will handle as following:

- The assets and liabilities of the company are translated at the rate prevailing at the end of the reporting period.
- Income and expenses are translated at the rate prevailing on the transaction date or the average rate for the period.

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

- Equity elements are translated at the date of the transaction and not retranslated in subsequent periods.

Foreign currency transactions are initially recorded at the rate ruling on the date of the transaction.

Share Based Payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Company's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

All awards granted under the different share-based payment plans were classified as equity-settled share-based payment according to IFRS 2.

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

1.3 Critical accounting estimates and judgements

Impairment of Intangible assets

After initial recognition intangible assets are carried at cost less accumulated amortisation and any impairment losses (if applicable). The capitalization of software development costs is based on estimates of time spent on their development.

Annually, management assesses whether there are any indications of impairment of the intangible asset which could result in an impairment review. This assessment considers if the intangible asset still has revenue generating capabilities by taking into account revenue growth over the period and the activity ratio of customers.

Income and deferred taxes

The company's tax charge on ordinary activities is applied in respect of the reference rate published by HMRC. As an integral part of this process, the company applies its judgement in order to determine the tax charge applying to those matters for which the final tax treatment is considered by the company to be uncertain.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences are recognized according to IAS 12 in the current and deferred income tax assets and liabilities in the period in which such determination is made.

In accordance with IAS 12 (Income Taxes), deferred tax liabilities and assets are set up accordingly for all temporary differences between the value of the assets and liabilities in the tax balance sheet and the values in the company's balance sheet.

Deferred tax assets relating to benefits of unutilised tax losses carried forward are capitalised to the extent with which it can be assumed with an adequate degree of probability that the company will be able to generate sufficient taxable income in future. Deferred tax assets are calculated on the basis of the applicable tax rates.

Deferred taxes are recognized as tax income or tax expenses in the income statement, unless they relate to items directly recognized in equity with no impact on profit or loss. In this case deferred taxes are recognized directly in equity without any effect to the profit and loss statement.

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

2. Revenue

The whole of revenue is attributable to payment processing.

Analysis of revenue by geographical markets:

	2021	2020
	€	€
Europe	53,273,443	41,692,958
Asia	2,723,205	1,275,612
North America	131,879	136,709
Oceania	119,693	163,945
South America	99,146	187,692
Rest of the world	652	1,440
Total	56,348,018	43,458,356

3. Other Operating Income

Other Operating Income is made up of:

	2021	2020
	€	€
Income from provision of services to other Group companies	10,324,616	4,172,504
Other income	456,845	180
Total	10,781,461	4,172,684

4. Operating Loss

Operating loss stated after charging:

	2021	Restated*
	€	2020
		€
Depreciation	308,163	268,543
Amortisation	1,017,086	776,177
Auditor's remuneration for audit services	318,621	88,000
Marketing & selling costs	30,380,486	14,809,496
Foreign currency gains and losses	1,049,875	339,246
Research and development cost expensed	3,373,587	1,533,693
Non-deductible VAT	(921,033)	22,060

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

*See note 21 for details of the restatement regarding foreign currency gains and losses.

5. Particulars of employees

The number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2021	2020
	No.	No.
Administration and support	78	56
Production	33	33
Research and development	13	1
Sales, marketing and distribution	66	37
Other departments	7	2
Total	197	129

The aggregate payroll costs were:

	2021	2020
	€	Restated* €
Wages and salaries	13,673,574	9,472,380
Social security costs	2,198,067	1,557,147
Share based payments	3,674,678	151,617
	19,546,319	11,181,144

* See note 21 for further details.

6. Directors Remuneration

The directors' remuneration (executive and non-executive) for the year was as follows:

	2021	2020
	€	€
Short term employee benefits	600,488	369,249
Post-employment benefits	20,532	20,055
Share Based Payments	2,472,436	-
	3,093,456	389,304

PPRO Financial Ltd
Notes to the Financial Statements (continued)

For the year ended 31 December 2021

The remuneration includes employer pension contributions of €20,532 (2020: €20,055).

The highest paid director's remuneration amounted to €3,093,456 (2020: €389,304).

7. Interest Receivable and other financial income

	2021	2020
	€	€
Bank interest receivable	6,561	10,295
	<u>6,561</u>	<u>10,295</u>

8. Interest payable and other financial expense

	2021	2020
	€	€
Other interest payable	141,145	148,424
	<u>141,145</u>	<u>148,424</u>

9. Taxation

Tax on loss	2021	2020
	€	Restated* €
Analysis of tax charge/(credit) for the period		
Current tax		
Adjustment in respect of prior periods	-	(434,703)
Total current tax charge/(credit)	<u>-</u>	<u>(434,703)</u>
Deferred tax		
Current year	1,506,554	-
Adjustments in respect of prior periods	-	59,288
Total deferred tax charge/(credit)	<u>1,506,554</u>	<u>59,288</u>
Tax on loss	<u>1,506,554</u>	<u>(375,415)</u>

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

Tax relating to other comprehensive income

Deferred tax

Origination and reversal of temporary differences	63,064	6,172
Tax relating to other comprehensive income	<u>63,064</u>	<u>6,172</u>

Provision for deferred tax

Fixed asset temporary differences	410,858	283,086
Short term temporary differences	(7,827)	1,672
Capital gains	220,109	157,045
Tax losses carried forward	-	(1,388,281)
Total deferred tax asset	<u>623,140</u>	<u>(946,478)</u>

Movement in provision:

Provision at start of the period	(946,478)	(1,011,938)
Deferred tax charged in the statement of comprehensive income for the period	63,064	6,172
Deferred tax charged in the statement of comprehensive income	1,506,554	59,288
Provision at end of period	<u>623,140</u>	<u>(946,478)</u>

Reconciliation of tax charge

Loss before tax	(11,336,332)	(9,965,795)
Tax on loss at standard CT rate of 19% (2020: 19%)	(2,153,903)	(1,893,501)

Effects of:

Expenses not deductible for tax purposes	58,973	161,340
Additional deduction for R&D tax credit	-	(444,851)
Amount not recognised as deferred tax asset	1,954,376	3,156,118
Income not taxable	-	(60)
Adjustments to tax charge in respect of previous periods	-	(1,205,742)
Adjustment relating to deferred tax changes	1,506,554	-
Effective changes in tax rates	149,554	(148,719)
Tax charge / (credit) for the period	<u>1,506,554</u>	<u>(375,415)</u>

*See note 21 for details of the restatement

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

10. Deferred Tax

The following is the analysis of deferred tax asset/liabilities presented in the statement of financial position.

	2021	2020
	€	€
Deferred tax asset arising from tax losses carried forward	-	1,388,281
	2021	2020
	€	€
Deferred tax liability:		
Arising on income recognized in other comprehensive income:		
Fair value re-measurement of available for sale financial assets	220,109	157,045
Arising from accelerated capital allowances	403,031	284,758
Deferred tax liability at period end	623,140	441,803

Losses of €10.2m have not been recognised as a deferred tax asset at 31 December 2021 due to the uncertainty about the utilisation of these losses in future periods. The carried forward loss of €1,388,281 has been written off in 2021 as the company is not confident these losses will be utilised in future periods.

Factor that may affect future tax charges

The March 2021 budget announced an increase to the main rate of corporation tax to 25% from April 2023. This rate was substantively enacted in May 2021, and as a result, deferred tax balances as at 31 December 2021 have been measured at 25%. (2020: 19%).

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

11. Intangible Assets

	Licenses	Development Costs	Development Costs (Work In Progress)	Customer Relationships	Total
	€	€	€	€	€
Cost					
Balance at 1 January 2020	1,356,701	7,759,678	-	16,973,307	26,089,686
Adjustment*	(238,557)	(696,249)	-	(16,973,307)	(17,908,113)
Additions	254,820	1,420,645	186,950	-	1,862,415
Disposal	-	(23,397)	-	-	(23,397)
Balance at 31 December 2020	1,372,964	8,460,677	186,950	-	10,020,591
Balance at 1 January 2021	1,372,964	8,460,677	186,950	-	10,020,591
Additions	291,035	1,989,145	488,429	-	2,768,609
- of which internally developed	-	1,989,145	488,429	-	2,477,574
- of which acquired	291,035	-	-	-	291,035
Disposal	-	-	-	-	-
Balance at 31 December 2021	1,663,999	10,449,822	675,379	-	12,789,200

Accumulated Amortisation and Impairment

Balance at 1 January 2020	839,168	2,992,585	-	16,973,307	20,805,060
Adjustment*	(238,557)	(696,248)	-	(16,973,307)	(17,908,112)
Amortisation	155,681	620,496	-	-	776,177
Impairment	-	-	-	-	-
Balance at 31 December 2020	756,292	2,916,833	-	-	3,673,125
Balance at 1 January 2021	756,292	2,916,833	-	-	3,673,125
Amortisation	228,471	788,615	-	-	1,017,086
Impairment	-	-	-	-	-
Balance at 31 December 2021	984,763	3,705,448	-	-	4,690,211

Carrying amounts

At 31 December 2020	616,672	5,543,844	186,950	-	6,347,466
At 31 December 2021	679,236	6,744,374	675,379	-	8,098,989

*Adjustment to derecognise fully amortised assets no longer in use.

Internally generated development costs have been capitalised and not yet amortised for work on a project due to be completed in 2022 (Work in progress).

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

12. Property, Plant and Equipment

	Fixtures and fittings €	Office furniture & Equipment €	Computer equipment €	Total €
Cost				
Balance at 1 January 2020	49,436	108,159	40,132	197,727
Additions	262,738	56,873	23,970	343,581
Disposals	(2)	(161)	(1)	(164)
Balance at 31 December 2020	312,172	164,871	64,101	541,144
Balance at 1 January 2021	312,172	164,871	64,101	541,144
Additions	-	-	158,252	158,252
Disposals	-	-	-	-
Balance at 31 December 2021	312,172	164,871	222,353	699,396

Accumulated Depreciation				
Balance at 1 January 2020	46,690	55,840	20,375	122,905
Depreciation	30,897	9,706	11,020	51,623
Balance at 31 December 2020	77,587	65,546	31,395	174,528
Balance at 1 January 2021	77,587	65,546	31,395	174,528
Depreciation	53,956	11,697	43,857	109,510
Balance at 31 December 2021	131,543	77,243	75,252	284,038

Carrying amounts				
At 31 December 2020	234,585	99,325	32,706	366,616
At 31 December 2021	180,629	87,628	147,101	415,358

Right of Use Asset

	2021 €	2020 €
Office Building (In accordance with IFRS16. Note 13)	688,678	811,164
	<u>688,678</u>	<u>811,164</u>

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

13. Leases

Property, Plant and Equipment

	TOTAL
	€
Right-of-use asset	
Depreciation during the period	198,653
Carrying amount as of 31/12/2021	688,678
Adjustment to 5-year lease for new office space. Leased from March 2020 with initial rent-free period.	76,166
Liability	
Interest expenses from leases	128,220
Other	
Expenses relating to short-term leases (<12 month)	-
Expenses relating to leases of low value assets	1,139
Expenses relating to variable lease payments not included in lease payments	-
Total cash outflow for leases	266,947

Ageing of outstanding lease liability

	2021	2020
	€	€
Due within 1 year	259,082	222,065
Due between 1 and 5 years	720,796	895,780
Due later than 5 years	-	-

Leasing activities in PPRO Financial Ltd relate to office space (Right of Use asset detailed above) and office equipment (included in short term leases).

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

14. Trade and other receivables

	Note	2021 €	Restated* 2020 €
Trade receivables		3,966,754	3,332,999
Amounts owed by group undertakings		8,987,724	229,970
Other debtors and accrued income		1,200,492	391,067
Prepayments		507,513	340,259
VAT receivable		2,687,852	956,309
Corporation tax asset		-	444,851
Customer funds	20	96,839,310	34,140,561
		<u>114,189,645</u>	<u>39,836,016</u>

*See note 21 for details of the restatement. Trade Receivables has decreased in the prior year due to reclassification of a portion of trade receivables as customer funds.

The carrying value of trade and other receivables classified at amortised cost approximates fair value. The expected loss rates are based on the company's historical credit losses experienced over the 3-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting our customers. PPRO Financial does not hold any collateral as security.

15. Trade and other payables

Amounts falling due within one year:

	Note	2021 €	Restated* 2020 €
Trade Payables		925,804	606,901
Amounts owed to group undertakings		3,413,335	8,873,572
Other taxes and social security		227,795	161,255
VAT liability		-	238,338
Accruals and deferred income		2,987,104	3,775,323
Lease Liability	13	259,082	222,065
Customer funds	20	100,374,194	92,405,900
		<u>108,187,314</u>	<u>106,283,354</u>

*See note 21 for details of the restatement.

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

16. Share Capital

Allotted, called up and fully paid shares

	No.	2021 €	No.	2020 €
Ordinary shares of £1.00 each	100	125	100	125
Ordinary A shares of €1.00 each	542,500	542,500	542,500	542,500
	<u>542,600</u>	<u>542,625</u>	<u>542,600</u>	<u>542,625</u>

Fully paid ordinary shares of £1.00 each carry one vote per share and a right to dividends.

Fully paid ordinary shares of €1.00 each also carry one vote per share and a right to dividends.

No new shares were issued by the company during the year.

17. Reserves

17.1 Retained Earnings	2021	2020
	€	Restated* €
At 1 January	(17,470,671)	(7,880,292)
(Loss) for the year	(12,842,886)	(9,590,379)
At 31 December	<u>(30,313,557)</u>	<u>(17,470,671)</u>

17.2 Other Reserves	2021	2020
	€	€
At 1 January	168,143	168,143
At 31 December	<u>168,143</u>	<u>168,143</u>

Other reserves relate to currency translation when PPRO Financial Ltd statements were converted from GBP to EUR.

PPRO Financial Ltd
Notes to the Financial Statements (continued)

For the year ended 31 December 2021

17.3 Capital reserves	2021	2020
	€	€
At 1 January	16,457,500	12,457,500
Capital Increase	28,200,000	4,000,000
At 31 December	<u>44,657,500</u>	<u>16,457,500</u>

Capital reserves relate to capital injections from the parent company, PPRO Holding GmbH.

17.4 Share Based Payment Reserve	2021	2020
	€	Restated* €
At 1 January	902,483	750,866
Equity-settled share-based payment transactions	3,674,679	151,617
At 31 December	<u>4,577,162</u>	<u>902,483</u>

*See note 21 for details of the restatement

Share Based Payment reserves relate to the vESOPs program as detailed in Note 21.

17.5 Equity investment reserve	2021	2020
	€	€
At 1 January	735,140	708,828
Other comprehensive income	(9,181)	26,312
At 31 December	<u>725,959</u>	<u>735,140</u>

Equity Investment reserves relate to the investment in VISA Inc. shares detailed in Note 18.

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

18. Equity Investment

	2021	2020
	€	€
VISA Inc. shares (Class A)	440,079	409,974
VISA Inc. shares (Class B)	440,357	416,579
	<u>880,436</u>	<u>826,553</u>

	VISA Inc. Shares	Total
Movement in equity investment		
At 1 January	826,553	826,553
Fair value movement 2021	53,883	53,883
At 31 December	<u>880,436</u>	<u>880,436</u>

The VISA Inc. preference shares received in return for the VISA Inc. share have been recognized as equity investment and are measured as fair value through OCI.

The shares have been recognized as Equity investment and they are not expected to be sold in the foreseeable future.

Fair value hierarchy:

The following asset types are carried at fair value after initial recognition.

The company uses the following hierarchy for determining and disclosing the fair value of financial assets by valuation technique:

- level 1: quoted (unadjusted) prices in active markets for identical assets;
- level 2: other techniques where all inputs, which have a significant effect on the recorded fair value, are observable either directly or indirectly; and
- level 3: techniques where inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Total	Level 1	Level 2	Level 3
	€	€	€	€
Equity investment	880,436	440,079	440,357	-
Total at 31 December 2021	<u>880,436</u>	<u>440,079</u>	<u>440,357</u>	<u>-</u>
Equity investment	826,553	409,974	416,579	-
Total at 31 December 2020	<u>826,553</u>	<u>409,974</u>	<u>416,579</u>	<u>-</u>

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

The VISA Inc. preference shares are classified as Level 1 and Level 2 equity investments.

Level 1 investments relate to the Class A preference shares which were converted from Class B preference shares in September 2020. These Class A shares can be freely traded for Class A Common stock but there are currently no plans for PPRO Financial Ltd to do this.

Level 2 investments relate to the Class B preference shares in VISA Inc. The value is calculated based on a number of variable inputs such as the value of the A class VISA Inc. share and the conversion rate as determined by VISA Inc.

19. Share Based Payments

Within the last years, PPRO Holding GmbH (PPRO) granted its employees share-based payment plans in the form of Virtual Share Options. The purpose of the single plans is to reward long and valued employees for their individual performance by giving them the opportunity to benefit from the evolvement of the company by receiving a bonus in form of share-based payment awards via virtual share options.

vESOP 2015 and 2019

Virtual Share Options under the yESOP 2015 and 2019 shall be vested after four years, if no Vesting Event occurs. In case of a Vesting Event during the Vesting Period of vESOP 2015, the Options will vest by 25 % after a cliff period of one year. The residual 75% of the options vest in semi-annually instalments with respect to the service condition until the occurrence of the Vesting Event. For the vESOP 2019, the Beneficiary shall be entitled to the entire Profit Participation irrespective of the remainder of the Vesting Period in case of an Exit Event. An Exit Event is defined as a sale or transfer of at least 75 % of all shares of the company or at least 75 % of the Company's assets.

vESOP 2020 and 2021

Virtual Share Options under the yESOP 2020 and 2021 shall be vested after four years, if no Vesting Event occurs. In case of a Vesting Event during the Vesting Period the Options will vest by 25 % after a cliff period of one year. The residual 75% of the options vest in quarterly instalments with respect to the service condition until the occurrence of the Vesting Event. The Beneficiary shall be entitled to the entire Profit Participation irrespective of the remainder of the Vesting Period in case of an Exit Event. An Exit Event is defined as a sale or transfer of at least 50 % of all shares of the company or at least 75 % of the Company's assets or the listing of the Company at a stock exchange.

All awards granted under the different share-based payment plans were classified as equity-settled share-based payment according to IFRS 2.

The grants under the different plans are valued using a Cox-Rubinstein Binomial Tree Model in order to take into account the complexity of their structure.

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

In 2020, the grants developed as follows:

Program	vESOP 2015	vESOP 2019	vESOP 2020
Number of Awards	9,860	0	0
Maximum term (years)	n.a	n.a	n.a
Awards outstanding at the beginning of the reporting period 2020 (01.01.2020)	9,542	0	0
Awards granted in the reporting period 2020	318	0	0
Awards forfeited in the reporting period 2020	0	0	0
Awards exercised in the reporting period 2020	0	0	0
Awards expired in the reporting period 2020	0	0	0
Awards outstanding at the end of the reporting period 2020 (31.12.2020)	9,860	0	0

In 2021, the grants developed as follows:

Program	vESOP 2015	vESOP 2019	vESOP 2020	vESOP 2021
Number of Awards	9,860	100	4,685	300
Maximum term (years)	n.a	n.a	n.a	n.a
Awards outstanding at the beginning of the reporting period 2021 (01.01.2021)	9,860	0	0	0
Awards granted in the reporting period 2021	0	100	4,685	300
Awards forfeited in the reporting period 2021	0	0	0	0
Awards exercised in the reporting period 2021	0	0	0	0
Awards expired in the reporting period 2021	0	0	0	0
Awards outstanding at the end of the reporting period 2021 (31.12.2021)	9,860	100	4,685	300

PPRO has taken into account the following parameters in the valuation:

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

vESOP 2015

Grant Date	30.06.2016	31.03.2017	30.09.2017	31.12.2018	31.12.2019	31.12.2020
Share price on the measurement date (EUR)	469.82	600.52	686.55	903.76	2,057.14	2,758.20
Expected life of the award on the grant date (years)	2.00	2.00	2.00	2.00	2.00	2.00
Exercise price (EUR)	295.86	295.86	295.86	295.86	295.68	295.86
Expected dividend yield (%)	0.00	0.00	0.00	0.00	0.00	0.00
Risk-free interest rate (%)	-0.64	-0.76	-0.74	-0.65	-0.66	-0,74
Expected volatility of the share price (%)	50.57	35.19	38.07	53.64	45.46	49.00
Option value (EUR)	211.85	307.82	392.68	616.24	1,761.28	2,462.34

vESOP 2019

Grant Date	31.12.2019	30.06.2020	31.12.2020	30.09.2021
Share price on the measurement date (EUR)	2,057.14	2,407.67	2,758.20	3,040.43
Expected life of the award on the grant date (years)	2.00	2.00	2.00	0.75 - 5.75
Exercise price (EUR)	947.49	947.49	947.49	947.49
Expected dividend yield (%)	0.00	0.00	0.00	0.00
Risk-free interest rate (%)	-0.66	-0.58	-0.74	-0.70
Expected volatility of the share price (%)	45.46	42.82	49.00	48.19
Option value (EUR)	1,147.64	1,473.92	1,826.69	2,116.98

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

vESOP 2020

Grant Date	31.03.2021	30.06.2021
Share price on the measurement date (EUR)	2,934.42	2,994.43
Expected life of the award on the grant date (years)	1.25 - 6.25	1.00 - 6.00
Exercise price (EUR)	1,880.92	1,880.92
Expected dividend yield (%)	0.00	0.00
Risk-free interest rate (%)	-0.66	-0.65
Expected volatility of the share price (%)	52.40	49.48
Option value (EUR)	1,426.14	1,410.01

vESOP 2021

Grant Date	30.06.2021	30.09.2021	31.12.2021
Share price on the measurement date (EUR)	2,994.43	3,040.43	3,086.44
Expected life of the award on the grant date (years)	1.00 - 6.00	0.75 - 5.75	0.50 - 5.50
Exercise price (EUR)	2,934.42	2,934.42	2,934.42
Expected dividend yield (%)	0.00	0.00	0.00
Risk-free interest rate (%)	-0.65	-0.70	-0.70
Expected volatility of the share price (%)	49.48	48.19	48.17
Option value (EUR)	921.83	884.31	873.08

For award valuation the contractual life of the options and the possibility of early exercise were considered in the binomial model.

The valuation model uses time congruent risk-free interest rates obtained from the information provider Bloomberg. For estimating the time congruent risk-free interest rates, yields of so-called "Germany Sovereigns" were used. For the purposes of the valuation of the awards, the expected volatility of the PPRO share was determined based on the time congruent historical volatility of peer group companies. The expected volatility taken into account builds on the assumption that future trends can be inferred from historical volatility, which means that the volatility that actually occurs may differ from the assumptions made. The expense resulting from the share-based payment transactions is recognized during the vesting period on a pro-rata-basis with a corresponding increase in equity. Furthermore, the amount recognized is based on the best available estimate of the number of equity instruments expected to vest and is revised, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. The expected dividend yield relies on management estimates.

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

When determining the expense recognition as of 31 December 2021, an average expected fluctuation of 6.0% p.a. was determined by PPRO based on historical fluctuation and management estimates. The expected fluctuation for the remaining part of the respective vesting period will be adjusted on future reporting dates based on current information.

As of December 31, 2021, PPRO Financial Ltd has recognised a reserve on the balance sheet of EUR 4,576,162 (2020 EUR 901,483) for share-based payments. The expense for the period January 1 to December 31 amounts to EUR 3,674,678 (2020 EUR 151,617). This is detailed in Note 21.

20. Related party transactions

	Year End Receivable/(Payable)	
	2021	Restated* 2020
	€	€
PPRO Holding GmbH	4,941,803	(8,171,307)
PPRO Inc.	(254,793)	(204,914)
PPRO Payment Services S.A	95,503,140	30,305,402
PPRO Latin America GmbH	87,313	
PPRO PTE	(1,221,826)	(260,381)
PPRO Brasil Ltda.	2,024,625	-
PPRO Mexico	(257,412)	-
PPRO Argentina S.A.	305,251	-
PPRO Colombia S.A.S.	108,405	-
PPRO Peru S.A.C	1,464	-
PPRO Chile SpA	480,465	-
	101,718,435	21,668,800

*See note 21 for details of the restatement. Restatement here relates to the customer funds receivables held with PPRO Payment Services S.A.

Balances to PPRO Payment Services S.A. are related to customer funds positions and transfer pricing transactions.

PPRO Financial Ltd
Notes to the Financial Statements (continued)

For the year ended 31 December 2021

	Income		Expenses	
	2021	2020	2021	2020
	€	€	€	€
PPRO Holding GmbH	879,838	347,233	16,207,393	14,416,499
WKV Prepaid GmbH	518,975	754,727	2,038	-
PPRO Inc.	197,115	90,869	2,462,147	1,577,248
PPRO Payment Services S.A	875,588	114,163	23,918,989	2,548,583
PPRO Latin America GmbH	4,049,368	2,726,411	2,667,213	5,072,072
PPRO PTE	263,836	139,101	3,063,404	2,319,482
PPRO Brasil Ltda.	2,276,644	-	67,952	-
PPRO Mexico	299,416	-	472,454	-
PPRO Argentina S.A.	306,916	-	19	-
PPRO Colombia S.A.S.	132,406	-	21,772	-
PPRO Peru S.A.C	24,647	-	21,701	-
PPRO Chile SpA	499,867	-	17,681	-
	10,324,616	4,172,504	48,922,763	25,933,884

21. Prior year restatement

Customer funds

In 2021, following a risk review relating to customer funds, and to align with the reporting for PPRO Group, the company has reported client funds (including debtors, cash, and payables) gross on its financial statements. This change has resulted in the restatement of the financial statement line items shown in the table below. Customer funds receivables and cash are now shown within assets, and customer funds payables are now shown within liabilities. In addition, a cumulative foreign exchange gain related to customer funds is shown within retained earnings.

Virtual Employee Share Option Program

During 2021 the company discovered that a Virtual Employee Share Option Program (vESOP), in which employees of the company participate, had not been accounted for in the financial statements when it should have been. Consequently the prior period comparatives have been restated.

PPRO Financial Ltd
Notes to the Financial Statements (continued)

For the year ended 31 December 2021

**Statement of financial
position**

	As previously reported	Impact of adjustments		As restated
		Adjustments (Customer Funds)	Adjustments (vESOPs)	
1 January 2020				
Total assets	12,381,297	62,617,803	-	74,999,100
Customer Funds Receivables	-	17,420,199	-	17,420,199
Customer Funds Cash	-	45,197,604	-	45,197,604
Others	12,381,297	-	-	12,381,297
Total liabilities	5,690,676	62,560,754	-	68,251,430
Customer Funds Payables	-	62,560,754	-	62,560,754
Other	5,690,676	-	-	5,690,676
Total equity	6,690,621	57,049	-	6,747,670
Capital Reserves	12,457,500	-	-	12,457,500
Share Based Payment Reserve	-	-	750,866	750,866
Profit and Loss account	(7,186,475)	57,049	(750,866)	(7,880,292)
Other	1,419,596	-	-	1,419,596

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

Statement of financial position

	As previously reported	Impact of adjustments		As restated
		Adjustments (Customer Funds)	Adjustments (vESOPs)	
31 December 2020				
Total assets	16,531,507	93,424,651	-	109,956,158
Customer Funds Receivables	-	34,140,561	-	34,140,561
Customer Funds Cash	-	60,069,451	-	60,069,451
Business Funds Receivables	6,480,816	(785,361)	-	5,695,455
Others	10,050,691	-	-	10,050,691
Total liabilities	15,215,037	93,405,900	-	108,620,937
Customer Funds Payables	-	92,405,900	-	92,405,900
Customer Funds Payables (non-current)	-	1,000,000	-	1,000,000
Other	15,215,037	-	-	15,215,037
Total equity	1,316,469	18,751	-	1,335,220
Capital Reserves	16,457,500	-	-	16,457,500
Share Based Payment Reserve	-	-	902,483	902,483
Profit and Loss account	(16,586,939)	18,751*	(902,483)*	(17,470,671)
Other	1,445,908	-	-	1,445,908

*cumulative impact at end of 2020

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

Statement of profit or loss

	As previously reported	Impact of adjustments		As restated
		Adjustments (Customer Funds)	Adjustments (vESOPs)	
For the year ended 31 December 2020				
Administrative expenses	(41,513,125)	(38,298)	(151,617)	(41,703,040)
Others	32,112,661	-	-	32,112,661
Loss	(9,400,464)	(38,298)	(151,617)	(9,590,379)
Total comprehensive income	(9,374,152)	(38,298)	(151,617)	(9,564,067)

Profit and Loss affect for the customer funds restatements relates to a foreign exchange gain in 2019 and loss in 2020. vESOPs losses are caused by additions to the program and the revaluation at year end.

PPRO Financial Ltd
Notes to the Financial Statements (continued)

For the year ended 31 December 2021

Statement of cash flows

	Impact of adjustments				As restated
	As previously reported	Adjustments (Cash Flow Presentation)	Adjustments (Customer Funds)	Adjustments (vESOPs)	
For the year ended 31 December 2020					
Net Cash outflow from operating activities	(1,914,204)	895,780	-	-	(1,018,424)
Loss for the year	(9,400,464)	-	(38,298)	(151,617)	(9,590,379)
Movement on equity investments	-	-	-	151,617	151,617
(Increase)/decrease in trade and other receivables (Business Funds)	(1,855,254)	-	(785,361)	-	(2,640,615)
(Increase)/decrease in trade and other receivables (Customer Funds)	-	-	(1,582,934)	-	(1,582,934)
Increase/(decrease) in trade and other payables (Business Funds)	8,493,743	895,780	176,782	-	9,566,395
Increase/(decrease) in trade and other payables (Customer Funds)	-	-	17,101,575	-	17,101,575
Increase/(decrease) in restricted cash balances	-	-	(14,871,854)	-	(14,871,854)
Others	847,771	-	-	-	847,771

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

Statement of cash flows (continued)

	As previously reported	Impact of adjustments			As restated
		Adjustments (Cash Flow Presentation)	Adjustments (Customer Funds)	Adjustments (vESOPs)	
For the year ended 31 December 2020					
Net cash from investing activities	(3,125,804)	10,295	-	-	(3,115,509)
Interest Received	-	10,295	-	-	10,295
Others	(3,125,804)				(3,125,804)
Net cash from financing activities	4,757,651	(906,075)	-	-	3,851,576
Recognition of lease liability (IFRS 16)	895,780	(895,780)	-	-	-
Interest Received	10,295	(10,295)	-	-	-
Others	3,851,876	-	-	-	3,851,876
Net decrease in cash and cash equivalents	287,357	-	-	-	282,357

Adjustments relating to Cash Flow Presentation are to present the recognition of lease liability within the movement in payables as no cash is used. The interest received is also presented within investing activities as opposed to financing activities. Customer Funds and VESOP adjustments are described above.

PPRO Financial Ltd
Notes to the Financial Statements (continued)
For the year ended 31 December 2021

22. Control

The immediate parent company of PPRO Financial Ltd is PPRO Holding GmbH, incorporated in Germany. PPRO Holding GmbH is also the ultimate controlling party.

Copies of the Group financial statements of PPRO Holding GmbH are available on request at its address at St.-Martin-Straße 74, Building 21, 81541 Munich, Germany.

23. Post Balance Sheet Events

On 27th September 2022, in order to comply with FCA regulations regarding capital adequacy, PPRO Holding GmbH supplied a further injection of capital to the value of 1.5M EUR.

On 26th January 2023, in order to comply with FCA regulations regarding capital adequacy, PPRO Holding GmbH supplied a further injection of capital to the value of 1M EUR.