WorldRemit Group Limited

Annual Report and Financial Statements for the year ended 31 December 2021

Company Registration number: 12257809

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COMPANY INFORMATION

Chair	Ismail Ahmed
Chief Executive Officer	Mark Lenhard
Board of Directors	Jonathan Addis Ismail Ahmed Mark Lenhard (appointed: 25 July 2022) Melissa Birge (appointed: 20 May 2021) Breon Corcoran (resigned: 25 July 2022) Richard Davies (appointed: 5 February 2021) Neo Dongwana (appointed: 6 October 2021) John Doran Stewart Langdon John Locke Hendrik Nelis Paul Vogel (appointed: 21 January 2021)
Company Secretary	Amber Tighe (resigned: 5 May 2021) Omolara Oyesanya (appointed: 9 August 2021)
Registration Number	12257809
Registered Office	3 More London Riverside London SE1 2RE
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their Strategic Report for the year ended 31 December 2021.

REVIEW OF THE BUSINESS

The directors present their Strategic Report for WorldRemit Group Limited (the "Company") and its subsidiaries (together the "Group" or "WorldRemit").

A restructuring took place between 29 May 2020 and 2 June 2020, which changed the ultimate parent company of the Group, as at 31 December 2020, to WorldRemit Group Limited ("WRGL"). WRGL was incorporated on 11 October 2019, and its accounting reference date extended from 31 December 2019 to 31 December 2020, resulting in a reporting period of 11 October 2019 to 31 December 2020. The consolidated comparative results of the Group are presented for the twelve-month period ended 31 December 2020 in line with Schedule 6 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations (S.I. No. 410 of 2009) (as amended), which permits the consolidated statement of financial position and the consolidated statement of profit and loss to incorporate the information contained in the individual financial statements of the subsidiary undertakings included in the consolidation.

On 12 August 2020, the Group, via WorldRemit Corp., a wholly-owned subsidiary of the Group entered into an agreement to acquire Chime Inc. (and certain of its subsidiaries), which owns and operates the Sendwave business, a leading mobile-first provider of 100% digital cross-border payment solutions with deep capabilities in powering mobile payments from North America and Western Europe to East Africa, West Africa and Asia. The acquisition was completed on 12 February 2021. The result for the period 12 February 2021 to 31 December 2021 are consolidated and presented within these financial statements.

Major shareholders supporting the Group's growth include Technology Crossover Ventures ("TCV"), Accel Partners and LeapFrog Investments. The Group has working capital facilities with Silicon Valley Bank ("SVB") and facilities, used for the acquisition of Chime Inc. (and certain of its subsidiaries), with BlackRock Capital Investment Advisors, LLC ("BlackRock") and Hercules Capital, Inc. ("Hercules"). The Group ended 2021 with $346.2m (2020: $95.6m) of total equity and $116.1m (2020: $45.0m) of cash and cash equivalents.

During 2021, the Group completed its Series E funding round and raised $259.0m, net of fees. The round included new equity investors, including Farallon Capital, as well as backing from existing investors LeapFrog Investments, TCV and Accel Partners. As part of the funding round, the Group issued an aggregate of 2,738,416 Series E Shares for a total of $267.0m and issued warrants over 7,468 Series E Shares linked to a loan of $25.0m to BlackRock and Hercules at an exercise price of $100.42 per Series E Share.

The Board believes that the Group is well placed both financially and operationally for the foreseeable future.

PRINCIPAL ACTIVITIES

The Group provides digital international money transfer services with our leading mobile cross-border payments platform. We support a pay-in and pay-out architecture on our platform that allows customers to use the available pay-in and pay-out combination of their choice.

PRINCIPAL ACTIVITIES (CONTINUED)

By integrating our platform and infrastructure with our partners, we provide our customers with multiple pay-in options. We are also able to offer multiple pay-out options which may include a funds transfer into popular mobile money accounts or digital wallets, a bank account, local cash pickup services and airtime top-ups. The Group's mobile cross-border payments platform facilitates fund flows from more than 60 send countries to more than 145 receive countries.

The Group has built a global network of relationships with financial institutions, mobile telecommunication companies and other business partners, connected via our mobile cross-border payments platform. Growth in customers and transaction volumes on our platform drives greater leverage with partners resulting in lower transactional costs and improved foreign exchange rates.

We are licensed, authorised or otherwise regulated in a number of jurisdictions around the world. In the United Kingdom we are authorised and regulated by the Financial Conduct Authority ("FCA") as an Electronic Money Institution ("EMI") pursuant to the Payment Services Regulations 2017 and the Electronic Money Regulations 2011. Our operating entities in the USA are money services businesses ("MSBs") registered with the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") and licensed as money transmitters (or its equivalent) in 51 states and territories. In Belgium, we are authorised by the National Bank of Belgium as a payment service provider, pursuant to the Law on Payment Institutions of 2018. In Canada, the Group has subsidiaries licensed as a money services business in Quebec under the Money-Services Businesses Act, and, together with other entities in the Group, are registered with the Financial Transactions and Reports Analysis Centre of Canada. In addition, we hold licences or other authorisations in a number of countries in the Asia-Pacific region, including in Australia as an Independent Remittance Dealer with AUSTRAC, New Zealand, Hong Kong, Japan, Singapore and Malaysia and in Africa, including in South Africa, Uganda and Rwanda.

KEY PERFORMANCE INDICATORS AND FUTURE DEVELOPMENTS

The Group has delivered strong growth since its inception. During 2021, revenue increased from $238.0m to $399.4m due to the acquisition of Chime Inc. and continued growth in WorldRemit, where our business model has remained resilient during the unprecedented COVID-19 pandemic. We continue to invest in growth and the number of employees has increased from 1,066 to 1,766 accordingly. This investment in our people, as well as increased marketing expense, resulted in a decrease in Adjusted EBITDA from $(25.9m) to $(58.1m).

Management regularly review several metrics and non-IFRS measures, including the metrics presented in the table below, to measure our performance, identify trends affecting our business, prepare financial projections and make strategic decisions.

KPIs	31 December 2021	31 December 2020
Revenue ($m)	399.4	238.0
Adjusted EBITDA ($m) [1]	(58.1)	(25.9)
Number of employees	1,766	1,066

[1] Adjusted EBITDA is a supplemental measure of our performance that is not required by, or presented in accordance with, IFRS. Adjusted EBITDA should not be considered as an alternative to loss for the year as a measure of financial performance.

KEY PERFORMANCE INDICATORS AND FUTURE DEVELOPMENTS (CONTINUED)

We define Adjusted EBITDA as loss for the year adjusted for income taxes, finance costs, depreciation, amortisation, impairment of non-financial assets, share-based compensation, fair value movement on derivatives, and transaction related costs.

We present Adjusted EBITDA because we consider it to be an important supplemental measure of our performance, and we believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies. Our management believes that investors' understanding of our performance is enhanced by including Adjusted EBITDA as a reasonable basis for comparing our ongoing results of operations. Many investors are interested in understanding the performance of our business by comparing our results from ongoing operations period over period and would ordinarily add back non-cash expenses, including depreciation, amortisation, share-based compensation and items that are not part of normal day-to-day operations of our business. By providing Adjusted EBITDA, together with a reconciliation to IFRS, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives.

Management uses Adjusted EBITDA:

- as a measure of operating performance because it assists us in comparing our operating performance on a consistent basis, as it removes the impact of items not directly resulting from our core operations;
- for planning purposes, including the preparation of our internal annual operating budget and financial projections; and
- to evaluate the performance and effectiveness of our strategic initiatives.

Items excluded from Adjusted EBITDA are significant components in understanding and assessing financial performance. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation, or as an alternative to, or a substitute for loss for the year, revenue or other financial statement data presented in our consolidated financial statements as indicators of financial performance. Some of the limitations are:

- Adjusted EBITDA does not reflect our expenditures, or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in our working capital needs;
- Adjusted EBITDA does not reflect our share-based payments, income tax (credit)/expense or the amounts necessary to pay our taxes;
- although depreciation and amortisation are removed in the calculation of Adjusted EBITDA, the assets being depreciated and amortised will often have to be replaced in the future and such measures do not reflect any costs for such replacements;
- other companies may calculate such measures differently than we do, limiting their usefulness as comparative measures; and
- Adjusted EBITDA excludes transaction related costs that are certain costs associated with transactions that are not normal recurring operating expenses, including legal, accounting and due diligence costs.

Due to these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash required to invest in the growth of our business. We compensate for these limitations by relying primarily on our IFRS results and using Adjusted EBITDA only as a supplemental measure.

KEY PERFORMANCE INDICATORS AND FUTURE DEVELOPMENTS (CONTINUED)

The following table reconciles Adjusted EBITDA to the most directly comparable IFRS financial performance measure, which is loss for the year:

Million US dollar	**31 December 2021**	31 December 2020
Loss for the year attributable to equity shareholders	**(150.9)**	(55.0)
Adjusted for:		
Income tax (credit)/expense	**(3.6)**	0.4
Finance income	**(0.3)**	(0.3)
Finance cost	**36.4**	1.9
Share-based payments	**9.1**	7.3
Depreciation and amortisation	**22.9**	12.3
Fair value movement on derivatives	**12.3**	1.3
Transaction related costs	**16.0**	6.2
Adjusted EBITDA	**(58.1)**	(25.9)

Revenue growth continues to show strong performance as the Group continues to invest in marketing, drive efficiency in acquisition through online brand spend, and invest in new markets, products and technology. Revenue growth of 67.8% was supported by the increase in transactions and the acquisition of Chime Inc. in 2021.

The loss for the year attributable to equity shareholders ended 31 December 2021 increased by $95.9m to $150.9m (2020: $55.0m loss).

The Adjusted EBITDA for 2021 was $58.1m loss (2020: $25.9m loss).

The Board considers the Group to be well positioned both financially and operationally for continued growth into 2022. The acquisition of Chime Inc. and the Series E funding secured in August 2021 will allow the Group to further accelerate its global expansion and diversify the product offering for both international money transfer senders and recipients.

For 2021 we continued to operate both the WorldRemit and Chime Inc. brands independently of each other. We expect this to continue however, we seek to continue to realise modest synergies due to the increased scale of our business operations on a combined basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group inherently faces strategic, reputational, regulatory, operational and financial risks as part of the business model. These risks are managed on both a Group-wide and local basis. The principal risks and uncertainties are summarised below.

Strategic risk: The Group's mission is to substantially enhance digital financial connectivity on a global scale. The Board meets regularly to review the Group's strategy, progress in delivery thereof and any necessary changes thereto. Management operates and manages changes to the business in accordance with that strategy.

Market and competition risk: The markets in which we compete are highly competitive and are highly fragmented. Within our strategy to become a leading player in the market, we face global competition from industry incumbents such as full-service banks and traditional cross-border payment companies, as well as niche money senders, digital players and external disruptors operating in the money transfer market. We also compete against smaller, country-specific competitors, banks and informal person-to-person money transfer service providers, web-based services, mobile money transfer services, payment processors, card-based payments providers, issuers of e-money, mobile wallets, informal remittance systems, postal organisations and digital currencies.

To compete successfully, we need to continue to invest in our brand, products and services, technology, marketing and customer services as well as pricing our products and services accordingly. If we fail to attract new customers, if the revenue generated by new customers differs significantly from our experiences, or if our customer acquisition costs increase, our business, revenue and growth will be harmed.

Reputational risk: Customer confidence in our brand and the ability to provide fast, reliable transfer and payment services are critical to the Group's success. Erosion of confidence in our business, or in money transfer providers as a means to transfer money, could adversely impact money transfer volumes, which would in turn harm our business, financial condition and/or results of operations. The Group continues to invest resources in building and protecting its brand including operating a strong risk and compliance orientated culture with a key focus on our customers.

Acquisition risk: A key element of our business strategy is to complement our organic growth with acquisitions. We routinely explore acquiring other businesses and assets, and we have acquired a business in the past and may continue to make acquisitions of businesses or assets in the future. However, we may be unable to identify or complete promising acquisitions for many reasons, including any misjudgement of the key elements of an acquisition, competition among buyers, the high valuations of businesses in our industry, the need for regulatory and other approvals, lack of internal resources to actively pursue all attractive opportunities and availability of capital.

In addition, our ability to realise the benefits we anticipate from our acquisition activities, including any anticipated sales growth, cost synergies and other anticipated benefits, will depend in large part upon whether we are able to integrate such businesses efficiently and effectively.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Regulatory environment: The regulatory environment that we operate in continues to evolve and change over time either through changes to existing legislation or due to the Group's expansion into new regulatory jurisdictions. We have controls, processes, and skilled staff in place to identify changes to legislation that may impact us as a Group, however, we may not be able to identify all relevant changes in a timely manner and ensure that we are compliant with these regulatory obligations and subsequently this may result in financial or other penalties for any breaches.

Pandemic risk: If government restrictions to reduce the spread of the COVID-19 virus are prolonged, the global mobile workforce trend is reversed or job opportunities are decreased, we could experience a change in demand for our services and/or a negative impact on the number of money transfer transactions and the principal amounts transferred, which could adversely affect our business, financial condition (including our ability to raise capital) or results of operations.

Government mandated closures of offices or other restrictions on workplaces may impact our ability to serve our customers, implement regulatory and technology changes, and our ability, and the ability of our service providers, to undertake on-site audits or assessments that might be required by law or regulation. Failure to maintain adequate systems and controls may expose us to operational and regulatory risk.

Compliance and regulatory risk: We are licensed, authorised or otherwise regulated in a number of jurisdictions around the world, including in, among other jurisdictions: (i) the United States by the FinCEN; (ii) the United Kingdom by the FCA; and (iii) the European Union by the National Bank of Belgium. We operate in a highly regulated environment, and our business is subject to a wide range and increasing number of laws, regulations, rules, guidelines and regulatory and judicial interpretations that vary from jurisdiction to jurisdiction.

We have put in place systems and controls to minimise the risk that we breach applicable regulations or laws. The Group mitigates this regulatory risk by ensuring a strong compliance culture throughout all levels of the business, investing in appropriate systems, controls, and training. Compliance breaches may result in regulatory actions, interference with our ability to transfer money reliably, attempts to seize transaction funds, or restrict our payment processors or disbursement partners' ability to transfer money.

Product and customer service risk: Our customers expect a consistently high level of quality in the provision of our products and services. We provide customer service and support from both in-house and outsourced third parties. If the reliability or functionality of our products and services is compromised or the quality of our products or services is otherwise degraded, we could lose existing customers.

We rely on our pay-in and pay-out partners to complete funds transfers, and if their services are interrupted, they fail to disburse funds according to our instructions or comply with applicable laws, or do not provide a positive customer experience, our business could be harmed.

Pricing risk: Increases in transaction processing fees could increase our costs, affect our profitability, cause customer attrition, or otherwise limit our operations. We continue to enhance our processes and systems to provide competitive, accurate and fair pricing for our customers.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Financial crime: We offer our customers the ability to transfer money utilising their credit, debit or prepaid card. Because these are card-not-present transactions, they involve a greater risk of fraud. If we are unable to effectively manage our payment and fraud risks, our business may be harmed. As the intermediary of these transactions, we may bear the financial risk of the full amount sent in some of the fraudulent transactions. To mitigate payment and fraud risk, we maintain procedures and controls for verifying the identity of our customers and monitoring and reporting on certain transactions.

Other illegal or improper uses of our services may include money laundering, terrorist financing, sanctions evasion, drug trafficking, human trafficking, illegal online gaming, romance fraud and other online scams, illegal sexually oriented services, prohibited sales of pharmaceuticals, fraudulent sale of goods or services, piracy of software, movies, music and other copyrighted or trademarked goods, unauthorised uses of credit, debit and prepaid cards or bank accounts and similar misconduct. Despite measures we have taken and continue to improve as part of the remediation and enhancement program to detect and lessen the risk of this kind of conduct, we cannot ensure that these measures will stop all illegal or improper uses of our services. If customers use our system for illegal or improper purposes, our business, financial condition or results of operations may be adversely affected, including as a result of any regulatory or criminal enforcement or civil action. Furthermore, if the measures we have taken are too restrictive and inadvertently screen proper transactions, this could diminish our customer experience, which could harm our business.

In addition, we may be subject to additional fraud risk if third party service providers or our employees fraudulently use customer information for their own gain or facilitate the fraudulent use of such information. In general, we have little recourse if we process a criminally fraudulent transaction.

In the event that we or any of our users engage in any conduct, intentionally or not, that facilitates money laundering, terrorist financing, or other illicit activity, or that violates anti-money laundering or sanctions laws, or otherwise constitutes activity that is prohibited by such laws, including through the fault of any of our third party vendors, we may be subject to fines, penalties, lawsuits, and enforcement actions, additional compliance requirements, increased regulatory scrutiny of our business, restriction of our operations, or damage to our reputation or brand.

Sanctions risk: We have implemented policies and procedures designed to allow us to comply with economic sanctions laws and prevent our platform from being used to facilitate business in countries or with persons or entities designated on lists promulgated by the Office of Financial Sanctions Implementation ("OFSI") and equivalent international authorities. Consequences for failing to comply with applicable rules and regulations could include fines, criminal and civil lawsuits, forfeiture of significant assets, or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny.

Operational risk: We operate in a complex and multi-jurisdictional environment. Facilitating global cross-border payments requires individual send market licences in each of the more than 60 send countries supported by our platform and network. In facilitating our customers transactions in this complex environment, we are faced with many inherent operational risks in relation to our people, processes and systems which could have a significant impact on our business operations if they were to materialise. We continue to invest in systems and controls to appropriately manage such risks.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Operational resilience: Interruptions and failures in our systems or infrastructure, including as a result of cyber-attacks, natural catastrophic events, geopolitical events, disruptions in our workforce, system breakdowns or fraud may have a significant adverse effect on our business. We continue to enhance our controls, processes and systems to prevent, adapt, respond, recover and learn from incidents to ensure that impacts of disruptions are minimised.

Technology management: Our ability to anticipate and adopt new technology and develop and gain market acceptance of new and enhanced products and services in response to changing industry and regulatory standards and evolving customer needs may adversely affect our competitiveness.

Failure to effectively manage our technology infrastructure, technology change management process, technology design & implementation, service management, and identity and access management ("IAM") to systems and accounts, may harm our business, financial condition or results of operations.

We endeavour to have effective security controls in place to protect our systems and data from continually evolving cyber security risks, security breaches or other technological risks which could affect our reputation among our customers, business operations, our regulators, and may expose us to liability.

People: Our ability to recruit, retain and develop qualified personnel is critical to our success and growth. If we are unable to attract and retain the necessary skilled resources, we face a risk that we are unable to operate effectively to achieve our business objectives.

Third party risk: Because we rely on third party vendors to provide products and services, we could be adversely impacted if they fail to fulfil their obligations or underperform. We rely on our network of pay-in and pay-out partners to complete funds transfers, and if their services are interrupted, they fail to disburse funds according to our instructions or comply with applicable laws, or do not provide a positive customer experience, our business could be harmed.

Some services relating to our business, such as cloud-based software service providers, third party software support, data centres, the development, hosting and maintenance of our operating systems, call centre services and other operating activities are outsourced to third party vendors. Any changes to or failures in these systems that degrade the functionality of our products and services, impose additional costs or requirements or give preferential treatment to competitors' services, including their own services, could materially and adversely affect usage of our products and services. In the event our agreements with our third party vendors are terminated, or if we cannot renew the contracts on terms favourable to us, or at all, or if we cannot find alternative sources of such services or otherwise replace these third party vendors quickly, we may experience a disruption in our services, and our business and operations could be adversely affected. We continue to enhance our controls, processes and systems for managing third party risks.

Data governance: We endeavour to maintain accurate and complete data sets and data models to ensure that they can be relied upon for internal and external reporting and critical business decision-making. Failure to store and process data which is complete, accurate or consistent, may harm our business, financial conditions or results of operations.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Privacy risk: We are subject to laws and regulations around the world that restrict how personal information is collected, processed, stored, used, secured and disclosed, implement notice requirements regarding privacy practices and provide individuals with certain rights regarding the use, disclosure and sale of their protected personal information. We are committed to ensuring we protect the rights and freedoms of our customers and employees when processing their personal data. We have controls in place to reduce the risk of non-compliance with data protection laws as failure to do so may lead to potential fines or material reputational damage.

Financial reporting and controls: If we are unable to remediate any material weaknesses and deficiencies in internal control over financial reporting, investors, customers, rating agencies, lenders or others may lose confidence in the accuracy and completeness of our financial reports, the market price of our securities could decline, we could be subject to investigations by regulatory authorities or litigation that results in substantial fines, penalties or liabilities, and we may be unable to raise funds from debt and equity investors on terms favourable to us, if at all. We will continue to track and monitor remediation actions in place to resolve any internal control weaknesses as necessary.

Financial risk: The nature of the services that we provide introduce inherent financial risks such as foreign exchange risk, counterparty credit risk and liquidity risk. There are also risks to the management of financial operations and reporting. We monitor and manage these risks to ensure that financial risk exposure remains within risk appetite and that financial reporting is accurate and complete.

Foreign exchange risk: To enable payment in the local currency, the Group prefunds many correspondent partners typically 24-48 hours in advance in accordance with expected volumes. The Group prefunds those correspondents using its cash balances and working capital facilities from third parties. The Group is exposed to foreign exchange risk during this process which is mitigated through speed of delivery between send and receive, efficient forecasting and regular conversion of send currencies into expected receive currencies.

Credit risk: We are exposed to the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This risk arises principally from our cash and cash equivalents held in banks, prefunded correspondents and cash due from third party acquirers. The Group carefully manages the amounts which are prefunded and regularly reviews the financial strength of these correspondents. However, a financial failure by a correspondent would likely result in financial loss for the Group.

Liquidity and funding risk: Liquidity risk arises from the dynamic business profile and growth of the business. Prudent liquidity management includes maintaining sufficient cash reserves and working capital facilities to facilitate this profile and growth. Cash flow is monitored daily and forecasting is used to manage the projected business growth. The Group finance function monitors rolling forecasts of the liquidity requirements on a daily basis to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its working capital financing facilities at all times so that the Group maintains all necessary covenants and requirements.

We continue to manage the risk that the Group may be unable to engage in proactive treasury activities, borrow from financial institutions or engage in equity or debt financings on favourable terms, or at all, which could harm our ability to meet our day-to-day obligations as they fall due.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Regulatory capital and funds safeguarding risk: We are required to maintain sufficient capital to meet the regulatory requirements for each of the regulated entities within the Group, as well as safeguard our customers' funds and segregate them from our own, and our failure to do so may have a material adverse effect on our business, financial condition and results of operations.

Tax risk: New or revised tax laws and regulations or their interpretations, or becoming subject to additional domestic or foreign taxes that cannot be passed through to our customers or partners, could reduce our profitability and increase risk of subsequent fines or enforcement action for non-compliance.

Climate change risk: Climate related risks have been reviewed, including both the impacts that the business could have on the environment, and other external risks that could impact on the business, recognising that investors and regulators expect firms to act in a responsible and sustainable manner. The main physical and transition risks arising from climate change that could impact the business relate to severe weather events. These have been factored into operational resilience planning and scenario testing, with business continuity and recovery plans in place to mitigate the exposure.

STATEMENT ON CORPORATE AND STAKEHOLDER ENGAGEMENT ("S.172(1) STATEMENT")

The Directors of WorldRemit Group Limited and all of the Group's subsidiaries incorporated in the United Kingdom, must act in accordance with a set of general duties, including the duty to promote the success of the Group in line with s.172 of the Companies Act 2006. Having regard to these duties, the Board considered the following matters during the reporting period and their impacts on key stake holder groups:

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2021?
'For our customers' Customers remain at the heart of all we do, building on the vision of our founders. Our brand mission is shaped with the customer in mind that we are chosen by customers to support their ambitions, wherever they are in the world.	Our customers want to send money to friends and family conveniently, quickly, securely and at the best exchange rates.	We have an extensive ongoing research programme in place, measuring customer experience as well as perceptions in market. Our continuous 'Voice of the Customer' programme collects customer feedback at various points in the customer journey, measuring satisfaction with various elements of the experience post-transaction (among senders and recipients), and post customer service contact. Our monthly brand tracking programme tracks perceptions of our product and brand among a sample of international money senders and recipients across multiple markets (both customers and non-customers). In addition, we regularly carry out bespoke, ad hoc research with our customers or prospects, using both quantitative and qualitative methods, to inform business decisions and ensure a customer-centric approach.	During 2021, we performed various initiatives to boost our customers experience, including the launch of JazzCash, an app which allows JazzCash Pakistan account holders to request international payments directly to their JazzCash accounts. We recognise that speed is a key factor for our customers so we monitor transaction processing times, which we define as 'the time from transaction creation to transaction pay-out or cancellation', to track our performance.

Who are our stakeholders?	**What are their key concerns?**	**How does WorldRemit engage with these stakeholders?**	**What happened in 2021?**
'For our people' WorldRemit employs 1,766 people in over 15 countries and we recognise that our people are fundamental to the success of the business.	Our people are focused on the following key areas: • Training and career development; • Wellbeing and work-life balance; • Reward and incentivisation; • Culture and company vision; and • Diversity and inclusiveness.	We conduct regular employee engagement surveys and monitor external review portals, such as Glassdoor. We regularly hold 'all-hands' calls with staff to promote our company goals and culture. The Chief People Officer carries out culture, performance and compensation conversations with the Remuneration Committee including employee performance, morale and feedback. Exit interviews are conducted with the majority of colleagues who are willing to provide feedback with the aim of acting on areas for improvement.	The WorldRemit Culture Crew was formed in 2021 with the specific aim to represent views of colleagues across all functions and locations and to work on company-wide initiatives such as reviewing our values. This contributed to designing our 6 new company behaviours. Additionally, we listened to feedback following our approach to remote working during the COVID-19 pandemic. Following a pilot of long-term remote working practices in our Technology teams in London & Poland, we consulted with employees and moved to a fully remote working model. An agile approach to further remote working is to be extended in 2022. An employee expectations survey was completed in 2021 with feedback discussed at both ExCo and Chairman level. Actions were that colleagues wanted to see and understand a clear strategy and goals for the business, and as such

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2021?
			we kicked off our 'company goals' all-hands series in December 2021, led by ExCo. Recognising the contribution and dedication of our colleagues, in 2021 we paid discretionary bonuses to 84% of colleagues based on their high performance. This is an extension of our contractual bonus scheme recognising the part that colleagues at all levels play in our company performance. A monthly Reward and Recognition scheme operated throughout the year. 205 colleagues were nominated for recognition and monetary rewards in thanks for excellent performance. Colleagues were publicly celebrated for their contributions during monthly all-hands.

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2021?
'For our shareholders' Our shareholders are important stakeholders who share our vision to provide fair, fast and flexible payments to customers. Many of our shareholders are former employees who are truly invested in the long-term success and mission of the Company.	Key issues for our shareholders include: • Growth in revenue; • Cashflow stability; • Customer retention; • Brand and market reputation; and • Profit profile trajectory.	As a private limited company, we are mindful of our obligations under the Companies Act towards our shareholders. Aside from general public relations and media updates about company performance, we also publish corporate reports and the annual financial performance on our website.	We launched in two new 'send' markets in 2021 to unlock additional growth and revenue streams in Uganda and Malaysia. Within ten days of our market launch in August 2021, our mobile application surpassed our competitors and rose to the number one position for daily installs (via AppAnnie). On 20 August 2021, we closed our Series E fundraising round, which raised $267.0m in equity financing and a further $25.0m in debt at a valuation of $5.0bn. We further strengthened our commitment to corporate governance in 2021 through the appointment of three independent non-executive directors: Melissa Birge, Richard Davies and Neo Dongwana. These new board members bring a wealth of experience in financial services, helping to enhance the collective skillset of our board of directors to enhance shareholder value.

Who are our stakeholders?	**What are their key concerns?**	**How does WorldRemit engage with these stakeholders?**	**What happened in 2021?**
Local communities People across our send and receive markets form the basis of our local communities and are key to the long-term success of the Company.	Our local communities are focused on: • Education; • Entrepreneurship; and • Empowerment.	We have an annual calendar of community engagement marketing activities across EMEA, APAC and the Americas. This enables us to connect to local communities at a grass roots level and also hear their direct feedback on our brand and services. We engage with diaspora groups in 'send' markets through these marketing activities, as well as maintaining direct relationships with Community Leaders, Religious Leaders and Diaspora Associations. We communicate directly with ethnic media outlets such as Press and Radio DJ's as well as local community influencers in social media groups. In addition to marketing activities, we maintain a 2-way dialogue by inviting members of local communities to Focus Groups and Market Research.	Community Events in 2021 included sponsorship of 'Kenya and Friends in the Park' and 'Ghana Party in the Park'. We partnered with the Philippine Nursing Association in the UK and Nordics for new migrant nurses. WorldRemit took an active role in 'Zimbo Live' for the Zimbabwean diaspora community, sponsoring streaming events and awards such as the 'Zimbabwe Achievers Award' for outstanding members of the local community. We supported local communities during important cultural and religious events such as sponsoring Africa Fashion Week in London, and providing Iftar meals in mosques for Muslim taxi drivers in New York during Ramadan. Additionally, we awarded the first Catherine Wines Bursary to Zaira Rasool, an employee Founder of CodeRoots- a team of experts connecting across sectors to create sustainable solutions to tech education for young talent in Africa.

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2021?
Network partners In order to facilitate money remittance for our customers, WorldRemit leverages a global network of pay-out partners.	Our pay-out partners are focused on: • Successful and timely disbursements (pay-out) of funds to our recipients, in line with industry standards and local regulation; and • Correspondents offer their services in exchange for commissions they receive for successfully completed transactions.	Staff in our commercial teams are based in locations around the world to ensure that we are close to our network partners and working closely with them.	We started the transition to a post funded business model to optimize short-term liquidity, reduce network funding requirements and minimise pay-out friction. As of December 2021, 35% of pay-out volume was processed under post-funding arrangements, an 11% improvement compared to the previous year. Throughout 2021, 40% of all new pay-out partnerships were under the post-funded agreement. We further optimised the pay-out network by eliminating 40 pre-funded pay-out partners and moving the existing partners to the post-funding model in 4 African markets.

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2021?
Regulators As a provider of a financial service, WorldRemit maintains applicable registrations and licenses in the countries in which we directly operate and are governed by the relevant regulators in each of these countries. This includes regulators in the United Kingdom, Belgium, South Africa, the USA, Canada, Australia and New Zealand.	Regulators are tasked with ensuring fair treatment of customers and efficient markets and financial stability. This is done through a number of different mechanisms, including appropriate licensing and registration of financial service providers within their jurisdiction and the continued monitoring and oversight of such licensees. Regulators are also tasked with ensuring that laws and regulations can keep pace with rapid emerging technologies and changes in existing technologies that have an impact on financial services and the business operations of their licensees.	WorldRemit is committed to maintaining the highest standards of compliance with our regulatory obligations and communicates in an open and transparent manner with our regulators. Not only do we engage with our regulators on matters and issues directly related to our business and licences, but we also speak to them about issues affecting the payments and financial services sector more broadly. This includes responding to consultation papers issued by various regulators and government departments relating to their future strategic priorities and the roll-out of new regulations.	During 2021, WorldRemit continued to engage proactively with its regulators around the world. This engagement included notifications to regulators of operational developments, as required by our licences. We also realigned some staff between first and second lines of defence, and commenced integration of Risk and Compliance functions across WorldRemit and Sendwave in order to ensure swifter and more consistent regulatory compliance and engagement across the Group. Regulatory engagement has also been a key part of the Group's recent process of giving up its licences in some jurisdictions, ensuring the process is done in a manner that is fair to customers and in line with regulatory expectations.

WORLDREMIT GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2021.

The Group's results for the year ended 31 December 2021, together with the comparative figures for the year ended 31 December 2020, have been prepared under international accounting standards ("IFRS") in conformity with the requirements of the Companies Act 2006. The Company's results have been prepared under Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The ultimate parent company of the Group, as at 31 December 2021, is WorldRemit Group Limited ("WRGL").

WRGL was incorporated on 11 October 2019, and its accounting reference date extended from 31 December 2019 to 31 December 2020, resulting in a comparative reporting period of 11 October 2019 to 31 December 2020. The consolidated comparative results of the Group are presented for the twelve-month period ended 31 December 2020 in line with Schedule 6 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations (S.I. No. 410 of 2009) (as amended), which permits the consolidated statement of financial position and the consolidated statement of profit and loss to incorporate the information contained in the individual financial statements of the undertakings included in the consolidation.

The Group has chosen, in accordance with Section 414C (11) of the Companies Act 2006, to include information in relation to financial risk management within the Strategic Report, that would otherwise be required to be disclosed in this report. The Statement on Corporate and Stakeholder Engagement ("s.172(1) Statement") is also included within the Strategic Report.

INDEMNITY

The Group has made qualifying third party indemnity provisions for the benefit of the respective directors which were in place throughout the year and which remain in place at the date of approval of these financial statements.

RESEARCH AND DEVELOPMENT

During the year the Group capitalised $9.8m (2020: $6.7m). The Group expensed $22.2m (2020: $10.2m) of software development costs for the year ended 31 December 2021. These costs directly relate to the development of our software and primarily comprise of employee costs of our development teams.

EMPLOYEES

The Group attaches importance to good communications and relations with employees and engaging our employees was a key part of WorldRemit's operating model in 2021. We held monthly all-hands Zoom calls open to all colleagues. Content included information on business performance (our company performance, as well as any external factors that could impact WorldRemit), company developments and announcements, and employee recognition. Open Q&A sessions were facilitated at every meet up.

DISABLED EMPLOYEES

The Group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the Group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

DONATIONS

The Group made $nil political donations for the year ended 31 December 2021 (2020: $nil).

FUTURE OUTLOOK

The directors are confident of the future performance of the Group. The Group continues to deliver strong revenue growth and increase its customer base. Further details are disclosed earlier in the Strategic Report.

GOING CONCERN

The directors have considered the appropriateness of preparing the Group and Company's financial statements on a going concern basis. The directors consider the Group to have entered into 2022 well-positioned both financially and operationally for continued growth. The acquisition and subsequent integration of the Sendwave business in 2021 allowed the Group to accelerate its global expansion and diversify its product offering for both international money transfer senders and recipients. In addition, the Group completed its Series E funding round in August 2021 raising both equity ($259.0m, net of fees) and debt ($25.0m). At 31 December 2021, the Group had cash and cash equivalents of $116.1m (which excludes a further $17.7m of restricted cash).

After considering the Group and Company's principal risks, current and future financing arrangements as well as forecast trading performance, the directors consider it appropriate to prepare these financial statements on a going concern basis but note there is a material uncertainty that may cast significant doubt about the Group and Company's ability to continue as a going concern.

The Group has a three-month revolving credit facility provided by Silicon Valley Bank ("SVB") of up to $70.0m which has been in place since 2015 and is currently contracted until 31 October 2022. While the Group has been successful in securing extensions of this facility since 2015, in the event the facility was not extended beyond its current contracted expiration of 31 October 2022, the Group would need to secure additional funding or working capital facilities.

The directors have prepared cash flow forecasts, stress tests and a severe but plausible downside scenario for a period of at least 12 months from the date of the approval of these financial statements taking into account future trading scenarios.

The cash flow forecasts covered a number of scenarios including possible but unlikely downside scenarios. These scenarios also included the planned management actions in response to the various scenarios and associated risks. The directors relied significantly on two scenarios, a base case, reflecting realistic but prudent expectations, and a severe but plausible downside scenario.

The material assumptions of the base case are as follows:

- Modest revenue growth;
- Reduction in cost base and optimisation of marketing spend to maximise liquidity;
- Achievement of current trading expectations and execution of the business plan;
- Incremental spend in key areas such as Product and Technology to improve and scale the platform in the longer term;
- Reduced working capital burden on transition of correspondents to post-funded arrangements where possible.

The material assumptions of the severe but plausible downside scenario are as follows:

- Significant slowdown in growth versus the base case, with the lowest retention levels experienced within the last three years assumed;
- Reduction in cost base and optimisation of marketing spend to maximise liquidity;
- Planned incremental spend in key areas such as Product and Technology would continue;
- Reduced working capital burden on transition of correspondents to post-funded arrangements where possible;
- All uncommitted and expiring working capital facilities removed, including the SVB revolving credit facility which expires on 31 October 2022.

Under both the base case and severe but plausible downside scenarios, there is a forecast breach of the revenue covenant attached to the facilities provided by Blackrock and Hercules used for financing the acquisition of Chime Inc. In the event of a covenant breach, the Group and Company would need to secure a waiver from Blackrock and Hercules or otherwise obtain additional financing. Whilst mitigating actions can be taken to improve the liquidity position, these actions are dependent on the support of relevant financial institutions over the coming year.

The directors have a reasonable expectation that extensions of the revolving credit facility will be granted by SVB beyond 12 months from the date of approval of these financial statements. Furthermore, the directors have a reasonable expectation that in the event of a covenant breach, a waiver would be granted by Blackrock and Hercules, or the Group and Company would otherwise be able to obtain such funding and working capital facilities as needed to continue in operation and meet their liabilities as they fall due for a period of no less than 12 months from the date of approval of these financial statements. In particular, the Group has demonstrated both with the acquisition of the Sendwave business and through the Series E funding round, that it is capable of raising private capital. As such, the directors have prepared the Group and Company financial statements on a going concern basis.

However, were SVB not to grant an extension on the facility, or Blackrock and Hercules were not to grant a waiver in the event of a covenant breach, the Group and Company may not have sufficient financial resources to continue in operation and meet their obligations as they fall due. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern. These financial statements do not include the adjustments that would be necessary were the Group and Company unable to continue as a going concern.

FUNDING

The Group has a revolving credit facility with Silicon Valley Bank of $70.0m as at 31 December 2021. This has been in place since 2015. The facility was renewed in June 2022, which extended the maturity date to October 2022.

The Group funded the Chime Inc. acquisition through a private debt placement of $225.0m in February 2021, with repayment in February 2025 and includes covenants in respect of minimum revenue levels and a minimum cash balance. Warrants were issued in February 2021 in connection with the loan, with a fair value of $0.7m. The warrants are revalued at the end of each reporting period. The purchase price for the acquisition includes discounted deferred consideration and fixed contingent consideration of $50.2m and $55.0m respectively due in instalments on or before December 2021 and May 2022. During 2021, $53.5m was paid, with $51.7m paid in May 2022.

<u>Series E funding round</u>

During 2021, the Group completed its Series E funding round and raised $259.0m, net of fees. The round includes new equity investors, including Farallon Capital, as well as backing from existing investors LeapFrog Investments, TCV and Accel Partners. As part of the funding round, the Group issued an aggregate of 2,738,416 Series E Shares for a total of $267.0m and also issued warrants over 7,468 Series E Shares linked to a loan of $25.0m to BlackRock and Hercules at an exercise price of $100.42 per Series E Share.

DIVIDENDS

The directors do not propose the payment of a dividend (2020: $nil).

DIRECTORS

The directors of the Company during the year and up to the date of approval of these financial statements were:

Jonathan Addis
Ismail Ahmed
Mark Lenhard (appointed: 25 July 2022)
Melissa Birge (appointed: 20 May 2021)
Breon Corcoran (resigned: 25 July 2022)
Richard Davies (appointed: 5 February 2021)
Neo Dongwana (appointed: 6 October 2021)
John Doran
Stewart Langdon
John Locke
Hendrik Nelis
Paul Vogel (appointed: 21 January 2021)

STREAMLINED ENERGY AND CARBON REPORTING ("SECR") STATEMENT (UNAUDITED)

Introduction

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

Methodology

The methodology applied to the calculation of Greenhouse Gas emissions is the 'GHG Protocol Corporate Accounting and Reporting Standard'. An 'operational control' boundary has been applied. Carbon conversion factors have been taken from 'UK Government GHG Conversion Factors for Company Reporting – 2021'. Emissions are reported as CO_2e. Scope 2 emissions have been reported as 'location based'.

Energy Use and Greenhouse Gas Emissions

The table below shows the total annual UK energy use and emissions associated with the operation of buildings, and fuel consumed for relevant business transport purposes, for the year ended 31 December 2021.

Table – Energy Consumption and Emissions		
	2021	2020
On-site combustion (kWh)	**117,393**	121,999
Electricity (kWh)	**181,227**	216,022
Transport (kWh)	**1,067**	89
Total Energy (kWh)	**299,687**	338,110
Scope 1 Emissions (tCO_2e)	**21.5**	22.4
Scope 2 Emissions (tCO_2e)	**38.5**	50.4
Scope 3 Emissions (tCO_2e)	**0.25**	0.02
Total Emissions (tCO_2e)	**60.3**	72.8
Emissions Intensity (tCO_2e/$m revenue)	**0.28**	0.61

Emissions Intensity

For purposes of baselining and ongoing comparison, it is required to express the emissions using a carbon intensity metric. The intensity metric chosen is WorldRemit UK's annual revenue in $m. The resultant emissions intensity is 0.28tCO_2e/$m revenue.

Energy Efficiency Action

During 2021 we have reduced our energy consumption by 11.4%, primarily reacting to the present COVID-19 situation. We have reduced the heating and cooling requirements of our office to reflect the lower occupancy levels, switching this off completely when the office was closed January-March 2021, with the majority of meetings being undertaken via webinar.

Approved by the Board of Directors on 29 September 2022 and signed on its behalf by:

DocuSigned by:

Mark Lenhard

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Mark Lenhard, Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the Consolidated Financial Statements (the "Annual Report") in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

Directors' confirmation

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

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

Approved by the Board of Directors on 29 September 2022 and signed on its behalf by:

DocuSigned by:
Mark Lenhard
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Mark Lenhard, Director

Independent auditors' report to the members of WorldRemit Group Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- WorldRemit Group Limited's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2021 and of the Group's loss and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Consolidated and Company Statement of Financial Position as at 31 December 2021; Consolidated Statement of Profit and Loss, Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2: Significant Accounting Policies to the financial statements concerning the Group's and Company's ability to continue as a going concern. The Directors prepared cash flow forecasts for a number of scenarios as part of their going concern assessment, including a base case and a severe but plausible downside scenario. Both of these scenarios presented by the Directors result in a revenue covenant breach within the next twelve months. This would require management to obtain a covenant waiver or otherwise obtain additional financing. In addition, the revolving credit facility will need to be extended beyond 31 October 2022. Although this facility has been successfully extended since 2015, there is a risk that it will not be extended and the Group will need to secure additional funding or working capital facilities to meet liquidity requirements.

Whilst mitigating actions can be taken to improve the liquidity position, these actions are dependent on the support of relevant financial institutions over the coming year. These conditions, along with the other matters explained in note 2: Significant Accounting Policies to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and Company were unable to continue as a going concern.

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

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Assessed management's cashflow and income forecasting model, and tested the mathematical accuracy of the calculations of forecasts under different scenarios.
- Challenged the scenarios management considered when preparing their going concern assessment; including requesting that they prepare an additional severe but plausible downside scenario.
- Challenged the key assumptions and mitigating actions in management's forecasts and scenarios including interplay of assumptions driving revenue and profit forecasts and the likelihood of management's actions being successful.
- Performed sensitivity analyses of key assumptions applied in management's scenarios to understand the potential impact and materiality.
- Compared current year actual results to forecasts to assess how accurate management are in their forecasting and challenging the feasibility of future business plans.
- Evaluated the going concern disclosure in the Directors Report and note 2: Significant Accounting Policies to the financial statements.
- Discussed management's evaluation, our work and conclusions, and the disclosures in the financial statements with the Audit Committee.

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

Reporting on other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Financial Conduct Authority (FCA), United Kingdom Tax Legislation and Financial Crime Legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates including valuation of intangible assets acquired, share-based payments and warrants. Audit procedures performed by the engagement team included:

- discussions with the Audit Committee, senior management, internal audit and internal legal advisors including consideration of known or suspected instances of non-compliance with laws and regulations and fraud
- review of key correspondence with regulatory authorities in relation to compliance and regulatory proceedings
- identification, and where relevant, testing of journal entries with higher risk characteristics
- challenge of assumptions and judgements made by senior management in their principal accounting estimates, including valuation of intangible assets, share-based payments and warrants.

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

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Daniel Brydon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 September 2022

WORLDREMIT GROUP LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Million US dollar	**Note**	**Year ended 31 December 2021**	Year ended 31 December 2020
Revenue	7	**399.4**	238.0
Cost of revenue	8	**(152.6)**	(80.8)
Gross profit		**246.8**	157.2
Administrative expenses	8	**(338.1)**	(205.3)
Losses on financial assets	5	**(14.8)**	(3.6)
Fair value loss on derivatives	4	**(12.3)**	(1.3)
Operating loss		**(118.4)**	(53.0)
Finance income	10	**0.3**	0.3
Finance cost	10	**(36.4)**	(1.9)
Loss before income tax		**(154.5)**	(54.6)
Income tax credit/(expense)	13	**3.6**	(0.4)
Loss for the year		**(150.9)**	(55.0)

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Million US dollar	Note	Year ended 31 December 2021	Year ended 31 December 2020
Loss for the year		**(150.9)**	(55.0)
Other comprehensive income, items that may be reclassified to the statement of profit and loss:			
Foreign currency translation adjustments	24	**0.9**	3.0
Total comprehensive loss for the year		**(150.0)**	(52.0)

The accompanying notes are an integral part of these consolidated financial statements.

WORLDREMIT GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Million US dollar	Note	31 December 2021	31 December 2020 Restated [1]
Non-current assets			
Property, plant and equipment	15	**4.2**	4.8
Right-of-use assets	16	**5.9**	9.1
Intangible assets	14	**470.0**	11.1
Deferred tax assets	13	**8.7**	1.6
Long-term deposits	4	**2.0**	2.1
Restricted cash	30	**2.5**	2.3
		493.3	31.0
Current assets			
Other receivables	17	**25.6**	33.5
Settlement assets	20	**247.7**	137.0
Restricted cash	30	**15.2**	11.9
Cash and cash equivalents	4	**116.1**	45.0
		404.6	227.4
Total assets		**897.9**	258.4
Equity			
Share capital	23	**-**	-
Share premium	23	**393.7**	4.3
Other reserves	24	**374.2**	362.1
Accumulated losses		**(421.7)**	(270.8)
Total Equity		**346.2**	95.6
Non-current liabilities			
Lease liabilities	16	**5.9**	9.8
Derivative financial instruments	4	**17.9**	4.8
Provisions	26	**0.8**	0.5
Long-term borrowings	21	**248.0**	-
Deferred tax liability	13	**23.8**	-
		296.4	15.1
Current liabilities			
Lease liabilities	16	**2.8**	2.8
Short-term borrowings	21	**70.3**	70.3
Trade and other payables	18	**81.0**	52.1
Provisions	26	**0.2**	-
Deferred consideration	22	**51.7**	-
Settlement obligations	20	**49.3**	22.5
		255.3	147.7
Total equity and liabilities		**897.9**	258.4

[1] As restated, refer to note 32.

The financial statements on pages 29 to 85 were approved by the Board of Directors on 29 September 2022 and signed on its behalf by:

DocuSigned by:

Mark Lenhard

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Mark Lenhard, Director

WORLDREMIT GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Million US dollar	Note	Share capital and share premium	Other reserves	Accumulated losses	Total equity
Balance at 1 January 2020		**337.0**	**18.5**	**(215.8)**	**139.7**
Loss for the year		-	-	(55.0)	(55.0)
Foreign currency translation		-	3.0	-	3.0
Total comprehensive loss for the year		**-**	**3.0**	**(55.0)**	**(52.0)**
Share-based payment awards	25	-	7.3	-	7.3
Conversion of cash-settled awards into growth shares	24	-	0.9	-	0.9
Shares issued	23	8.7	-	-	8.7
Own shares acquired for employee benefit trust	24	-	(2.1)	-	(2.1)
Balance at 31 December 2020, as previously reported		**345.7**	**27.6**	**(270.8)**	**102.5**
Own shares acquired for employee benefit trust – adjustment	24	-	(6.9)	-	(6.9)
Creation of merger reserve on group restructuring	24	(341.4)	341.4	-	-
Balance at 31 December 2020, as restated[1]		**4.3**	**362.1**	**(270.8)**	**95.6**
Loss for the year		-	-	(150.9)	(150.9)
Foreign currency translation	24	-	0.9	-	0.9
Total comprehensive loss for the year		**-**	**0.9**	**(150.9)**	**(150.0)**
Share-based payment awards	25	-	9.1	-	9.1
Shares issued	23	259.1	-	-	259.1
Stock consideration in relation to Chime Inc. acquisition	23	130.1	-	-	130.1
Converted options in relation to Chime Inc. acquisition	24	-	1.2	-	1.2
Own shares acquired for employee benefit trust	24	-	0.9	-	0.9
Convertible loans conversion	19	0.2	-	-	0.2
Balance at 31 December 2021		**393.7**	**374.2**	**(421.7)**	**346.2**

[1] As restated, refer to note 32.

The accompanying notes are an integral part of these consolidated financial statements.

WORLDREMIT GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Million US dollar	**Note**	**Year ended 31 December 2021**	Year ended 31 December 2020
Operating activities			
Loss before income tax		**(154.5)**	(54.6)
Adjustments:			
Depreciation and amortisation	8	22.9	12.3
Share-based payments	25	9.1	7.3
Finance income	10	(0.3)	(0.3)
Finance cost	10	36.4	1.9
Fair value movement on derivatives	4	12.3	1.3
Net increase/(decrease) in provisions	26	0.5	(2.1)
Increase in settlement assets and other receivables	17 / 20	(74.0)	(44.8)
Increase in settlement obligations and trade and other payables	18 / 20	39.3	14.9
Increase in restricted cash		(3.4)	(5.6)
Interest paid	10	(27.6)	(1.6)
Income tax paid	13	(0.7)	(0.3)
Net cash used in operating activities		**(140.0)**	(71.6)
Investing activities			
Payments for property, plant and equipment	15	(1.7)	(1.3)
Payments for intangible assets	14	(10.9)	(8.9)
Consideration paid	22	(267.6)	(15.0)
Finance income received	10	0.3	0.2
Net cash used in investing activities		**(279.9)**	(25.0)
Financing activities			
Proceeds from borrowings	27	236.0	35.0
Proceeds from issuance of equity	23	259.1	0.2
Principal elements of lease repayments	27	(3.0)	(2.5)
Net cash generated from financing activities		**492.1**	32.7
Net cash inflow / (outflow) in operating, investing and financing activities		**72.2**	(63.9)
Effects of exchange rate changes		(1.1)	(0.2)
Net increase / (decrease) in cash and cash equivalents		**71.1**	(64.1)
Cash and cash equivalents at beginning of year		**45.0**	109.1
Cash and cash equivalents at end of year		**116.1**	45.0

The accompanying notes are an integral part of these consolidated financial statements.

1. General information

WorldRemit Group Limited ("the Group") is a private company limited by shares and was incorporated on 11 October 2019 under the Companies Act 2006 and domiciled in England, United Kingdom. The address of the registered office is 3 More London Riverside, London, SE1 2RE. The Company's registration number is 12257809. The consolidated financial statements of the Group for the year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as "WorldRemit", "Group", "We", "Our"). The Group is composed of subsidiaries across a number of jurisdictions and these are set out in the financial statements of the Company.

WorldRemit Group Limited is the ultimate parent company as at 31 December 2021 and controlling party.

2. Summary of significant accounting policies

Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union was incorporated into UK law with effect from that date and became 'UK-adopted International Accounting Standards'. WorldRemit Group transitioned to UK-adopted International Accounting Standards on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on the recognition, measurement or disclosure in the year reported or the prior year as a result of the change in framework. The consolidated financial statements of WorldRemit Group Limited have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements are presented in US dollars and have been prepared under the historical cost convention, modified to include the valuation of derivative financial liabilities at fair value through profit and loss, to the extent required or permitted under IFRS as set out in the relevant accounting policies. Accounting policies have been applied consistently.

As a consequence of the corporate restructuring that took place between 29 May 2020 and 2 June 2020, the ultimate parent company of the Group, as at 31 December 2020, is WorldRemit Group Limited ("WRGL"). WRGL was incorporated on 11 October 2019, and its accounting reference date extended from 31 December 2019 to 31 December 2020, resulting in a reporting period of 11 October 2019 to 31 December 2020. The consolidated results of the Group for the twelve-month period ended 31 December 2020, we presented in line with Schedule 6 to the Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations (S.I. No. 410 of 2009) (as amended), which permits the consolidated statement of financial position and the consolidated statement of profit and loss to incorporate the information contained in the individual financial statements of the subsidiary undertakings included in the consolidation.

The Group restated its previously issued consolidated financial statements for the year ended 31 December 2020 to reflect an accounting adjustment in relation to share-based payments. Refer to note 32 for further details.

2. Summary of significant accounting policies (continued)

Going concern

The directors have considered the appropriateness of preparing the Group and Company's financial statements on a going concern basis. The directors consider the Group to have entered into 2022 well-positioned both financially and operationally for continued growth. The acquisition and subsequent integration of the Sendwave business in 2021 allowed the Group to accelerate its global expansion and diversify its product offering for both international money transfer senders and recipients. In addition, the Group completed its Series E funding round in August 2021 raising both equity ($259.0m, net of fees) and debt ($25.0m). At 31 December 2021, the Group had cash and cash equivalents of $116.1m (which excludes a further $17.7m of restricted cash).

After considering the Group and Company's principal risks, current and future financing arrangements as well as forecast trading performance, the directors consider it appropriate to prepare these financial statements on a going concern basis but note there is a material uncertainty that may cast significant doubt about the Group and Company's ability to continue as a going concern.

The Group has a three-month revolving credit facility provided by Silicon Valley Bank ("SVB") of up to $70.0m which has been in place since 2015 and is currently contracted until 31 October 2022. While the Group has been successful in securing extensions of this facility since 2015, in the event the facility was not extended beyond its current contracted expiration of 31 October 2022, the Group would need to secure additional funding or working capital facilities.

The directors have prepared cash flow forecasts, stress tests and a severe but plausible downside scenario for a period of at least 12 months from the date of the approval of these financial statements taking into account future trading scenarios.

The cash flow forecasts covered a number of scenarios including possible but unlikely downside scenarios. These scenarios also included the planned management actions in response to the various scenarios and associated risks. The directors relied significantly on two scenarios, a base case, reflecting realistic but prudent expectations, and a severe but plausible downside scenario.

The material assumptions of the base case are as follows:

- Modest revenue growth;
- Reduction in cost base and optimisation of marketing spend to maximise liquidity;
- Achievement of current trading expectations and execution of the business plan;
- Incremental spend in key areas such as Product and Technology to improve and scale the platform in the longer term;
- Reduced working capital burden on transition of correspondents to post-funded arrangements where possible.

2. Summary of significant accounting policies (continued)

The material assumptions of the severe but plausible downside scenario are as follows:

- Significant slowdown in growth versus the base case, with the lowest retention levels experienced within the last three years assumed;
- Reduction in cost base and optimisation of marketing spend to maximise liquidity;
- Planned incremental spend in key areas such as Product and Technology would continue;
- Reduced working capital burden on transition of correspondents to post-funded arrangements where possible;
- All uncommitted and expiring working capital facilities removed, including the SVB revolving credit facility which expires on 31 October 2022.

Under both the base case and severe but plausible downside scenarios, there is a forecast breach of the revenue covenant attached to the facilities provided by Blackrock and Hercules used for financing the acquisition of Chime Inc. In the event of a covenant breach, the Group and Company would need to secure a waiver from Blackrock and Hercules or otherwise obtain additional financing. Whilst mitigating actions can be taken to improve the liquidity position, these actions are dependent on the support of relevant financial institutions over the coming year.

The directors have a reasonable expectation that extensions of the revolving credit facility will be granted by SVB beyond 12 months from the date of approval of these financial statements. Furthermore, the directors have a reasonable expectation that in the event of a covenant breach, a waiver would be granted by Blackrock and Hercules, or the Group and Company would otherwise be able to obtain such funding and working capital facilities as needed to continue in operation and meet their liabilities as they fall due for a period of no less than 12 months from the date of approval of these financial statements. In particular, the Group has demonstrated both with the acquisition of the Sendwave business and through the Series E funding round, that it is capable of raising private capital. As such, the directors have prepared the Group and Company financial statements on a going concern basis.

However, were SVB not to grant an extension on the facility, or Blackrock and Hercules were not to grant a waiver in the event of a covenant breach, the Group and Company may not have sufficient financial resources to continue in operation and meet their obligations as they fall due. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group and Company's ability to continue as a going concern. These financial statements do not include the adjustments that would be necessary were the Group and Company unable to continue as a going concern.

New and amended standards issued and effective

The following new and amended standards issued and effective for the periods commencing on or after 1 January 2021 did not have a material impact on the Group:

- COVID-19 related Rent Concessions; - Amendments to IFRS 16
- Interest Rate Benchmark Reform - Phase 2

2. Summary of significant accounting policies (continued)

New standards, amendments and interpretations issued but not effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. They include the following:

- IFRS 17 Insurance Contracts
- Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 16
- Reference to the Conceptual Framework - Amendments to IFRS 3
- Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates - Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Group and all its subsidiaries. Subsidiaries are all entities over which the Group has control. Subsidiaries are fully consolidated from the date on which control passes to the Group and are deconsolidated from the date that control ceases. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intra-group transactions, balances, income, expenses and unrealised gains have been eliminated on consolidation. The ultimate parent company as at the reporting date is WorldRemit Group Limited.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by the Group. Specifically, these relate to WorldRemit Corp., which reports under U.S. Generally Accepted Accounting Principles. Therefore, adjustments for the treatment of leases have been made to align to IFRS 16.

Revenue recognition

Money transfer services

The Group’s revenue is primarily derived from consideration paid by customers to transfer money internationally. The Group recognises revenue when performance obligations are satisfied, meaning when the funds are received by the recipients. Specifically, revenue recognition follows the following five-step approach:

- Identification of the contracts with a customer
- Identification of the performance obligations in the contracts
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contracts
- Revenue recognition when performance obligations are satisfied

A customer enters into the contract with the Group at the time of initiating a transfer by formally accepting the contractual terms and conditions with the details of the performance obligations and service fees on the Group’s website.

2. Summary of significant accounting policies (continued)

The transaction price is comprised of the money transfer service fee and a foreign exchange margin. The foreign exchange margin results from the difference between the exchange rate set by the entity to the customer and the rate sourced in the market. Both the transaction fee and foreign exchange rate are agreed by the customer in the Group's terms and conditions. The transaction price is readily determinable at the time the transaction is settled.

Due to the short-term nature of the Group's services, there were no contract assets and immaterial contract liabilities relating to customers as of 31 December 2021 and 2020. Contract liabilities consist of deferred revenue, derived from the timing difference between transactions being initiated by the customer and when funds are received. The estimated allowance for loss of revenue due to refunds and chargebacks was immaterial as of 31 December 2021 and 2020. There were no material pre-contractual costs incurred to obtain a contract with customers for the year ended 31 December 2021 and year ended 2020 which could be deferred.

Revenue from transaction fees and foreign exchange spreads is reduced by customer promotions. For example, we may, from time to time, waive transaction fees for first-time customers, or provide customers with better foreign exchange rates on their first transaction. These incentives are accounted for as reductions to revenue, up to the point where net historical cumulative revenue, at the customer level, is reduced to zero. Any incentives above this amount are recorded as marketing expense. We consider these incentives as an investment in our long-term relationship with customers.

Finance income and costs

Interest earned on bank accounts is recognised as finance income. Interest expense is incurred on loans and lease liabilities is recognised using the effective interest rate method as finance costs. Finance costs also arise on the unwinding of the deferred consideration in relation to the acquisition of Chime Inc..

Intangible assets

Intangible assets relate to money transfer software and website development, other software, goodwill, trademarks, customer value and licence costs. Development costs that are directly attributable to the asset controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the project so that the asset will be available for use;
- management intends to complete the project and use the resulting asset;
- there is an ability to use the asset;
- it can be demonstrated how the asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use the asset are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Capitalised development assets include employee costs and are amortised over their useful lives on a straight-line basis with the impact of the change reflected in the year of adoption. Research expenditure, and development expenditure that do not meet the above criteria, are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. These internally generated intangible assets are amortised over 36 months except for licences. Separately acquired licences are shown at historical cost, have a finite useful life and are amortised over the licence period.

2. Summary of significant accounting policies (continued)

The estimated useful lives, residual values and amortisation methods are reviewed annually, with the effect of any changes in estimate accounted for on a prospective basis.

At each reporting date, the Group reviews its intangible assets to determine whether there are any indicators of impairment. If any such indicators exist, the recoverable amount (higher of an asset's fair value less costs to sell and value in use) of the asset is estimated to determine the extent of any impairment loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the consolidated statement of profit and loss. Assets are stated at cost less accumulated amortisation and any recognised impairment.

Goodwill is determined as the excess of the consideration paid over the Group's interest in the net fair value of the identifiable assets and liabilities of the acquired subsidiary at the date of acquisition. The business combination of Chime Inc. was accounted for by applying the purchase method.

In conformity with IFRS 3 *Business Combinations,* goodwill is stated at cost and not amortised but tested for impairment on an annual basis and whenever there is an indicator that the cash generating unit to which goodwill has been allocated may be impaired.

Property, plant and equipment

Property, plant and equipment is initially recognised at cost. Depreciation is provided on all property, plant and equipment to write off the cost, less any residual value, on a straight-line basis over the expected useful economic lives of the assets concerned by applying the following annual rates:

Asset class	**Estimated useful lives**
Office equipment	3 years straight-line
Computers	3 years straight-line
Leasehold improvements	Shorter of useful economic life or remaining term of the lease
Fixtures and fittings	3 years straight-line

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the asset's carrying amount is greater than its estimated recoverable amount, an asset's carrying amount is written down immediately to its recoverable amount (higher of an asset's fair value less costs to sell and value in use). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the consolidated statement of profit and loss.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

2. Summary of significant accounting policies (continued)

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The Group believes that the incremental borrowing rate is a fair estimation for the funds required to obtain an asset of similar value in the economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low value assets
The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Trade and other payables
Trade payables comprise obligations to pay suppliers for goods and services used in the ordinary course of business and money transfers not yet disbursed to the intended recipient. Trade payables are classified as current liabilities if settlement is due within one year or less. If not, they are presented as non-current liabilities.

2. Summary of significant accounting policies (continued)

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in US dollars.

The Group previously presented the financial statements in Pounds sterling but adopted to present these in US dollars in 2020. Given that a significant part of Group earnings are denominated in US dollars, the Group believes that the presentation currency change will give investors a clearer understanding of WorldRemit's performance over time.

A change in presentation currency represents a change in an accounting policy in terms of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' requiring the restatement of comparative information. In accordance with the guidance defined in IAS 21 'The Effects of Changes in Foreign Exchange Rates', the results of 2020 were re-translated to US dollars as follows:

- Non-US dollar assets and liabilities were translated at the relevant closing exchange rate at the end of the reporting period. Non-US dollar items of income and expenditure and cash flows were translated at actual transaction date exchange rates;
- The cumulative translation reserve was set to nil at 1 January 2019 (i.e. the date of change in presentation currency). Share capital and premium and other reserves, as appropriate, were translated at the historic rates prevailing at the dates of underlying transactions; and
- The effects of translating the Group's financial results and financial position into US dollars were recognised in the foreign currency translation reserve.

The closing exchange rates of the Group's major trading currencies relative to US dollars, used when translating the statements of financial position presented in this release into US dollars, are detailed in the table below:

	31 December 2021		**31 December 2020**	
	Average rate	**Closing rate**	**Average rate**	**Closing rate**
Pound sterling	1.37533	1.35355	1.28365	1.36519
Euro	1.18217	1.13856	1.14139	1.22264
Canadian dollar	0.79764	0.79058	0.69062	0.78345
Australian dollar	0.75058	0.72764	0.65056	0.76988
Philippine peso	0.02029	0.01961	0.02061	0.02082
Kenyan shilling	0.00912	0.00884	0.00904	0.00915
West African CFA franc	0.00180	0.00174	0.00174	0.00187

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement to year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit and loss.

2. Summary of significant accounting policies (continued)

Group subsidiaries
The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each reporting date presented are translated at the closing rate at the date of the reporting period end date;
- income and expense items are translated at monthly average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- all resulting exchange adjustments are recognised in other comprehensive income/(loss), as foreign currency translation adjustments.

Long-term loans with warrants
During 2020, the warrants in connection with external loans and as part of the Series C2 equity financing were novated from WorldRemit LTD. to WorldRemit Group Limited as part of the Group restructuring. The novation of the warrants was recognised as a capital contribution in WorldRemit LTD. and as a non-substantial modification under IFRS 9 as the terms for the new instruments issued by WorldRemit Group Limited were identical to the terms for the old instruments.
The fair value of the warrants issued as a condition of the long-term loans is determined using the Black-Scholes model. Inputs are based on market and Group conditions at the time of issuance of the debt component. The loans are assessed to determine if they shall be presented as debt, equity or a combination of both. All loans are determined to be debt as of 31 December 2021. If it is determined that the loan is a compound financial instrument, the fair value of the equity portion is recorded in other reserves with the remainder of the proceeds being recorded as a liability at its discounted value. There were no compound financial instruments recognised in the year ended 31 December 2021. Issue costs are recorded as a deduction of the fair value of the long-term loan and together with finance costs are charged to the consolidated statement of profit and loss over the term of the borrowings.

If the number of shares to be issued in connection with the warrants is variable, the fair value of the warrant shares is calculated at inception and recorded as a warrant liability with the remainder of the proceeds being recorded as a loan liability. Warrants are fair valued at each reporting date and the movements in fair value are recognised in the consolidated statement of profit and loss. The loan liability is unwound over the term of the borrowing using the effective interest rate with the interest expense being charged to the consolidated statement of profit and loss.

Shares with warrants
Warrants issued in connection with equity financing are assessed to consider whether they meet the fixed-for-fixed criteria set forth in IAS 32. Warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of functional currency are recognised as equity instruments. The fair value of these warrants is calculated at inception and recognised in equity. No further fair value adjustments are made in subsequent periods.

If the warrants do not satisfy the fixed-for-fixed criteria, they are recognised as a financial liability at their fair value at inception. All warrants are determined to be financial liabilities as of 31 December 2021 and 2020. Such warrants are fair valued at each reporting date and the movements in fair value are recognised in the consolidated statement of profit and loss.

2. Summary of significant accounting policies (continued)

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax liabilities and/or assets comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. The calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting date.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for services rendered by employees. Employee benefits include:

- *Short-term employee benefits*: The Group recognises the undiscounted amount of short-term employee benefits as a liability (accrued expense).
- *Defined contribution plans*: The Group operates several defined contribution pension schemes for the benefit of employees. The amount charged to the consolidated statement of profit and loss is the contribution payable by the Group in the year. Differences between contributions payable and contributions paid are shown as accruals in the consolidated statement of financial position. Contributions that are payable more than 12 months after the end of the year to which they relate, discounted using the rate specified in IAS 19 'Employee Benefits' paragraph 83.
- *Termination benefits*: Termination benefits are recognised as a liability and expense when, and only when, the entity is committed to either terminate the employment of an employee or group of employees before the normal retirement date; or provide termination benefits as a result of an offer to encourage voluntary redundancy.

Employees of the Group also receive remuneration in the form of share-based payments, whereby the employees render services in exchange for rights over shares.

2. Summary of significant accounting policies (continued)

Equity-settled awards
Awards of options over shares are measured with reference to the fair value at the grant date. Fair value is measured using a Black-Scholes Option Pricing Model. The fair value determined at the grant date is expensed using a grading vesting method over the vesting period, based on the estimated number of shares that will eventually vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit and loss, with a corresponding adjustment to the consolidated statement of changes in equity.

Awards of shares with equity-hurdles ("Growth Shares"), result in economic benefit to the holder if upon an exit, the equity value exceeds the equity hurdle. These awards are measured with reference to the fair value at the grant date. Fair value is measured using a Monte-Carlo Option Pricing Model. As an award of shares does not contain option characteristics, the amount that is recognised as an expense over the vesting period is the fair value of the shares at the grant date, less the subscription price. The amount that is recognised as an expense over the vesting period is expensed using a grading vesting method, based on the estimated number of shares that will eventually vest.

Cash-settled awards
Cash-settled share-based payment arrangements are measured at the fair value on grant date using a Monte-Carlo Option Pricing Model and are subsequently remeasured at fair value at each reporting date until settlement, with any changes in the fair value being recorded in the consolidated statement of profit and loss.

The key assumptions used in calculating the fair value of equity-settled and cash-settled awards are the discount rate, the Group's ordinary share price, volatility, risk-free rate of return, and expected option lives. Management performs a review of the estimate of shares expected to vest, dependent on the number of leavers. The cash-settled awards were fully converted into the Growth Shares during 2020.

Employee Benefit Trust
In 2020, the Group established the WorldRemit Employee Benefit Trust ("EBT"), which is separately administered for the benefit of employees. The trust is funded by a loan facility from the Group. The Group includes the EBT in the consolidated financial statements as, although it is administered by independent trustees and it is separate from the Group, in practice, the Group directs and controls the EBT regarding the issuance and buy-back of shares, to and from employees respectively.

The carrying value of the Company's ordinary shares held by the trust is recorded as a deduction in arriving at equity attributable to owners of the Group, until such time as the shares transfer to employees.

Consideration received for the sale of such shares is also recognised in equity attributable to owners of the Group, with any difference between the proceeds from sale and the carrying value taken to the accumulated losses within equity. No gain or loss is recognised on the purchase, sale, or cancellation of equity shares.

2. Summary of significant accounting policies (continued)

Share capital
Ordinary and preference shares are classified as equity as they relate to residual interests in the net assets of the Group after deducting all its liabilities. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) arising from past events and it is probable that an outflow of resources will be required to settle the obligation; and if the amount can be reliably measured. If the obligation cannot be reliably measured, it is classified as a contingent liability. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Cash, cash equivalents and restricted cash
Cash comprises cash on hand, petty cash funds, currencies awaiting deposit and local or foreign currency deposits in banks which can be added to or withdrawn without limitation and are immediately available for use in the current operations. The Group has direct control of these funds with no restriction on their use.

Restricted cash consists of cash in bank accounts used for safeguarding (refer to note 30).

Loan receivable
This is a non-derivative financial asset with determinable payments that are not quoted in an active market. It was recognised when cash was advanced to a third party, Chime Inc., which owns and operates the Sendwave business, and it was repaid on the acquisition date of Chime Inc.

Other receivables (including settlement assets)
The Group's other receivables primarily relate to cash advances to pay-out partners, cash due from third party acquirers, prepayments and loans to employees in relation to the grant of shares on share-based payment plans. Cash advances to pay-out partners and cash due from third party acquirers relates to services performed in the ordinary course of business.

Other receivables are carried at amortised cost less impairment losses. To determine the appropriate amount to be impaired factors such as significant financial difficulties of the debtor, probability that the debtor will default, enter into bankruptcy or financial reorganisation, or delinquency in payments are considered.

Other receivables are initially recognised at fair value and subsequently measured at amortised cost. Any impairment losses and foreign exchange gains and losses are recognised directly in profit or loss.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of any entity and a financial liability or equity instrument of another entity.

2. Summary of significant accounting policies (continued)

<u>Financial assets</u>

Initial recognition and classification
The classification of financial assets at initial recognition, for the purposes of subsequent measurement, depends on the financial asset's contractual cashflow characteristics and the Group's business model for managing them. All purchases and sales of financial assets are recognised on the settlement date according to market conventions.

For assets measured at fair value, gains and losses will either be recorded in profit or loss, or other comprehensive income ("OCI"). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group measures financial assets initially at fair value plus, in the case of a financial asset not classified as fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Subsequent measurement
For the purposes of subsequent measurement, financial assets are classified in the following categories:

- Financial assets at amortised cost (debt instrument)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost
The Group measures financial assets at amortised cost at initial recognition and subsequently if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment considerations. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's cash and cash equivalents, trade and substantially all other receivables fall into this category of financial assets.

2. Summary of significant accounting policies (continued)

Derecognition
A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

<u>Financial liabilities</u>

Initial recognition and classification
The Group measures financial liabilities initially at fair value and are classified as financial liabilities at FVTPL or at amortised cost.

Subsequent measurement
The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss ("FVTPL")
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9 'Financial Instruments'. Derivatives for the Group included warrants for the years ended 31 December 2021 and 2020. Fair value movements of these derivatives are recognised in "Fair value (loss)/gain on derivatives" in the consolidated statement of profit and loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset.

Investments in subsidiaries
Investments in subsidiaries are stated at cost, less any provisions to reflect impairment in value. The share-based payment awards increase the investment value of the Company once the services of the Group's employees are rendered in the subsidiary undertakings.

3. Critical accounting judgements and key sources of estimation uncertainty

In application of the Group's accounting policies, management are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Key judgements involve a higher degree of judgement or complexity and these items are more likely to be materially adjusted due to estimates and assumptions being incorrect. Detailed information about each judgement and estimate are included in other notes, together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

Business combination
The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the consideration transferred to the fair value of the identifiable assets acquired and the liabilities assumed.

The Group uses external parties with the requisite expertise to determine the acquisition-date fair values of certain identifiable assets acquired. The fair value of assets is determined by discounting estimated future net cash flows generated by the assets, where no active market for the assets exists. The use of different discount rates as well as assumptions for the expectation of future cash flows would change the valuation of the asset.

Allocation of the consideration transferred affects the Group's results as intangible assets with finite useful lives are amortised, whereas goodwill is not. This could result in differing amortisation charges based on the allocation.

Intangible assets
Where the capitalisation of costs are based on projected future economic benefits, the Group tests whether internally generated software and website development costs have suffered any impairment, following a triggering event. This is done in accordance with the accounting policy stated in note 2.

The fair values of acquired identifiable intangibles is based on an assessment of future cash flows. Impairment analyses of goodwill and indefinite-lived intangible assets are performed annually and whenever a triggering event has occurred, in order to determine whether the carrying value exceeds the recoverable amount. These calculations are based on estimates of future cash flows. See note 14 for further details.

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Share-based payments and warrants
The Group has used the Black-Scholes and Monte-Carlo valuation models to determine the fair value of share-based payments and warrants attached to the long-term loans and equity. Any changes to exit date, volatility, fair value of the shares, and other assumptions made by management will impact the valuation. The expected price volatility is based on the historic volatility of comparable companies (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

4. Financial instruments

The Group holds the following financial instruments:

Million US dollar	**31 December 2021**	31 December 2020
Financial assets at amortised cost		
Deposits	**3.6**	3.9
Cash advances to pay-out partners	**196.6**	106.9
Cash due from third party acquirers	**51.1**	30.1
Loan receivable	**-**	15.0
Other debtors [1]	**10.8**	8.5
Non-current restricted cash	**2.5**	2.3
Current restricted cash	**15.2**	11.9
Cash and cash equivalents	**116.1**	45.0
	395.9	223.6
Financial liabilities at amortised cost		
Trade payables	**19.9**	11.3
Pay-out liabilities	**12.3**	15.2
Cash payables to pay-out partners	**36.4**	7.0
Convertible loans	**-**	0.2
Accruals and other payables [1]	**50.8**	29.3
Borrowings	**318.3**	70.3
Lease liabilities	**8.7**	12.6
Consideration payable	**51.7**	-
	498.1	145.9
Derivative financial instrument liabilities at fair value through profit or loss (FVTPL)		
Warrants	**17.9**	4.8
	17.9	4.8

[1] Excludes contract liabilities, social security and tax balances (deferred tax, VAT, income tax). Following a review, the Group removed social security and tax liabilities from accrual and other payables in 2020, totaling $3.2m to enhance disclosure.

4. Financial instruments (continued)

Deposits include long-term deposits of $2.0m (2020: $2.1m) on the Group's leased premises in the United Kingdom. They are repayable upon termination of the leases which are expected to occur more than 12 months after 31 December 2021. Deposits of $1.6m (2020: $1.8m) classified as current are expected to be repayable in less than 12 months after 31 December 2021.

Settlement assets are split in the table above into Cash advances to pay-out partners and Cash due from third party acquirers. Pay-out liabilities and Cash payables to pay-out partners form Settlement obligations (the remaining balance being contract liability).

The Group has assessed that the fair value of the above financial assets and liabilities measured at amortised cost approximate their carrying amounts.

The Group carries warrants and restricted stock units ("RSUs") at fair value through profit and loss on a recurring basis. These are classified at Level 3 in the fair value hierarchy. There have been no transfers between levels 1, 2 or 3 during the year. An explanation of each level of the fair value hierarchy is set out below:

Level 1 - Quoted prices in active markets for identical assets or liabilities which the Group can access at the date of measurement.

Level 2 - Inputs, other than quoted market prices included in Level 1, that are observable either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

The valuation techniques to determine the fair value of these instruments are explained in note 2 Summary of significant accounting policies.

Warrants

The Group has issued warrants in connection with external loans and as part of the Series C2 equity financing. Warrants are fair valued at each reporting date. The table below provides a reconciliation of the warrants liability as at 31 December 2021.

	Loans		Series C2		Total	
Million US dollar (except number of warrants)	**Number of warrants (million)**	**Total**	**Number of warrants (million)**	**Total**	**Number of warrants (million)**	**Total**
As at 1 January 2020	**0.2**	**1.2**	**0.2**	**1.1**	**0.4**	**2.3**
Fair value movement	**-**	1.1	-	1.1	-	2.2
Foreign exchange	**-**	0.2	-	0.1	-	0.3
As at 31 December 2020	**0.2**	**2.5**	**0.2**	**2.3**	**0.4**	**4.8**
Warrants issued	0.2	0.7	-	-	0.2	0.7
Fair value movement	**-**	7.3	-	5.0	-	12.3
Foreign exchange	**-**	0.1	-	-	-	0.1
As at 31 December 2021	**0.4**	**10.6**	**0.2**	**7.3**	**0.6**	**17.9**

4. Financial instruments (continued)

On 11 February 2021, a total of 179,570 warrants were issued in connection with the $225.0m facility obtained from BlackRock and Hercules for financing the acquisition of Chime Inc. with an exercise price of $37.59 per share and with preference rights equal to the Series D shares. In addition, on 20 August 2021, the Group issued an additional 7,468 warrants to the same third parties for a drawdown of $25.0m as part of the Series E funding round. The warrants have the same preference rights as the Series E shares and an exercise price of $100.42 per share.

During 2020, as part of the Group restructuring, the warrants were novated from WorldRemit LTD. to WorldRemit Group Limited. The novation of the warrants was recognised as a capital contribution in WorldRemit LTD. and as a non-substantial modification under IFRS 9 as the terms for the new instruments issued by WorldRemit Group Limited were identical to the terms for the old instruments.

Warrants are considered level 3 financial instrument as its value is derived from equity valuations of the Group. The Group is not publicly trading its shares therefore no observable market data is available to perform the valuation. The equity value is calculated using weighing of valuation methods using the Black-Scholes pricing model (back-solve method, an income approach, and a market approach). The back-solve method involves taking into consideration the relevant rights and preferences of the various equity securities in which the aggregate equity value can be calculated using the pricing from a recent transaction, a recent funding round (deemed to be arm's length) or other market indication. The income and market approaches are calculated using the Group's discounted cash flows and market multiples of quoted companies in the same sector. For all valuation approaches, sensitivity analysis on the main assumptions and the mid-points were considered for the purpose of valuing the warrants at the reporting date. The table below sets out the main assumptions, sensitivity and possible impact to the warrants values:

Assumptions	**Relationship of unobservable inputs to fair value**
Time to liquidity	Mid-point was used on the back-solved method. Using the Group's earliest expectations for an exit would increase the warrants liability by $1.6m and the latest expectation would reduce the liability by the same amount.
Discount rate and terminal growth value	Management has assessed it appropriate to use a discount rate of 14.0% and a terminal growth value of 2.0% for the Black-Scholes model. See below the impact of a 0.5% change on these assumptions: - Discount rate: an increase or decrease of 0.5% would represent, respectively, a decrease of $0.2m and an increase of $0.1m of the liability. - Terminal growth value: an increase or decrease of 0.5% would represent, respectively, an increase of $0.1m and a decrease of $0.1m of the liability.
Revenue multiples - core comparable companies	Mid-point was used on the Black-Scholes model. Using the lowest range for the revenue multiples of core comparables would decrease the warrants liability by $0.3m while using the highest range would increase it by the same amount.

5. Financial risk management

The Group is exposed to a variety of financial risks such as credit risk, liquidity risk and market risk (including foreign exchange risk and interest rate risk) which could affect the Group's future financial performance. The Group's overall risk management program focuses on operational complexities and credit risk, seeking to minimise potential adverse effects on the Group's financial performance utilising operational policies and procedures.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations ('default'). The risk is managed on a group level and arises principally from cash and cash equivalents held in banks and financial institutions, restricted cash, cash due from third party acquirers and cash advances to pay-out partners.

The Group's maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial asset set out in note 4 excluding other debtors, $385.1m (2020: $215.1m).

For banks and financial institutions, if there is no independent credit rating, the Group assesses the credit quality of the partner, by taking into account its financial position, past experience and other factors. The Group has implemented operational processes and policies to address the Group's credit risks arising from transactional bad debt and use of third parties to process Group funds.

The credit risk arising from transactional losses is managed by regular monitoring and transactional controls. The Group has implemented fraud and compliance checks that include appropriate credit checks on specific potential customers before the customer can effectively transact on the platform. Additionally, transactions for new customers are often held until cleared funds have been received.

Third party processor risk is managed by selecting and working with appropriate third parties for both the send and receive sides of the transaction coupled with a high focus on compliance and strong operational controls.

Customer funds are initially remitted by the customer to third party payment processors (usually banks or card payment processors) before being transferred to the Group's own bank accounts. These payment processor relationships are well established and subject to contracts. The related credit risk is mitigated by daily clearance of balances and utilisation of many established industry partners. Accordingly, these balances are considered to have a very low risk of impairment.

To enable instantaneous pay-out to recipients the Group prefunds the majority of its pay-out partners. Partners are required to comply with Group conditions before the Group prefunds them or utilises their services to pay recipients. The credit risk associated with these partners is regularly assessed by management and the related credit risk is mitigated by matching the level of funds held at these partners with the expected requirement over the following 24 - 48 hours and utilising established industry partners wherever possible. Accordingly, these partner balances are considered to have a low risk of impairment.

The processes described above to mitigate and determine credit risk are carried out on initial recognition and on a regular basis thereafter to ensure appropriate management of risk and ensure balances do not become credit risk impaired.

5. Financial risk management (continued)

Impairment

The Group's main credit exposures are on the following types of financial assets that are subject to the expected credit loss model:

- Cash advances to pay-out partners
- Cash due from third party acquirers

We do not believe there is significant exposure in regard to deposits, loan receivables or other debtors and any loss would be highly immaterial.

The Group applies IFRS 9 to measure expected credit losses which uses a lifetime expected loss allowance for all financial assets measured at amortised cost. The expected loss rates are based on the payment profiles of individual payment processors (due to customer default) and partners over a period of 24 months before 31 December 2021 and the corresponding historical credit losses experienced within this period. As the lifetime of these receivables is very short there are no adjustments for forward-looking information as receivables are agreed and settled within a month. The carrying amount is reduced through the use of an allowance account with the loss being recognised in the consolidated statement of profit and loss.

The loss allowance of the Group as at 31 December 2021 and 2020 was determined as follows for cash advances to pay-out partners:

Million US dollar	**31 December 2021**	31 December 2020
Expected credit loss rate	2.3%	1.0%
Gross carrying amount	201.3	108.0
Loss allowance	**4.7**	1.1

The loss allowance of the Group as at 31 December 2021 and 2020 was determined as follows for cash due from third party acquirers:

Million US dollar	**31 December 2021**	31 December 2020
Expected credit loss rate	1.5%	1.6%
Gross carrying amount	51.9	30.6
Loss allowance	**0.8**	0.5

Losses recognised in the consolidated statement of profit and loss in relation to cash advances to pay-out partners and cash due from third party acquirers during the year was $14.8m (2020: $3.6m).

5. Financial risk management (continued)

While cash, cash equivalents and restricted cash are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. The credit ratings of the Group's principal banking partners at 31 December 2021 are as follows:

Million US dollar	**31 December 2021**	31 December 2020
A+,A,A-,AA-	**81.3**	52.7
B-,BBB-	**40.2**	4.1
No rating	**12.3**	2.4
Total cash, cash equivalents and restricted cash	**133.8**	59.2

No rating consists of all payment solution providers, which usually have no ratings and where credit risk is managed by maintaining a balanced distribution of the Group's funds across a number of industry-established non-banking service providers.

(b) Liquidity risk

Liquidity risk arises from the dynamic business profile and growth of the business. Prudent liquidity management includes maintaining sufficient cash reserves and working capital facilities to facilitate this profile and growth. Cash flow is monitored daily and forecasting is used to manage the projected business growth.

The Group finance function monitors rolling forecasts of the liquidity requirements on a daily basis to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its working capital financing facilities at all times so that the Group maintains all necessary covenants and requirements. The Group also has additional working capital financing facilities at year end available for use.

The Group had a revolving credit facility with Silicon Valley Bank which has been in place since 2015. This facility is $70.0m, and was renewed in June 2022, extending the maturity date to October 2022.

The Group continually assesses the credit quality of its holdings with these banks on an ongoing basis and maintains a spread of cash across a number of established banking partners. The Group did not incur any losses during 2020 or 2021 as a result of banking failures.

The Group funded the Chime Inc. acquisition through a private debt placement of $225.0m in February 2021, with repayment in February 2025 and includes covenants in respect of minimum revenue levels and a minimum cash balance. In addition, on 20 August 2021, the Group completed its Series E funding round and raised $259.0m, net of fees, with new equity investors, such as Farallon Capital, and other existing investors, such as Leapfrog Investments, TCV and Accel. In addition, on 20 August 2021, the Group issued an additional 7,468 warrants to the same third parties for a drawdown of $25.0m as part of the Series E funding round.

5. Financial risk management (continued)

Maturity analysis

The table below is the Group's financial liabilities, shown as undiscounted cash flows (and therefore won't necessarily reconcile to the Statement of Financial Position), grouped by contractual maturities at the earliest date on which the Group could be required to pay the liability.

31 December 2021

Million US dollar	Within 1 year	Between 1 and 5 years	After more than 5 years	Total
Non-derivatives				
Trade payables	19.9	-	-	19.9
Pay-out liabilities	12.3	-	-	12.3
Borrowings	70.3	259.7	-	330.0
Accrual and other payables [1]	50.8	-	-	50.8
Consideration payable	51.7	-	-	51.7
Lease liabilities	2.8	7.0	-	9.8
Cash payables to pay-out partners	36.4	-	-	36.4
	244.2	**266.7**	**-**	**510.9**
Derivatives				
Warrants	-	17.9	-	17.9
	-	**17.9**	**-**	**17.9**

[1] Excludes contract liabilities, social security and tax liabilities (deferred tax, VAT, income tax).

31 December 2020

Million US dollar	Within 1 year	Between 1 and 5 years	After more than 5 years	Total
Non-derivatives				
Trade payables	11.3	-	-	11.3
Pay-out liabilities	15.2	-	-	15.2
Short-term borrowings	70.3	-	-	70.3
Accrual and other payables [1]	29.3	-	-	29.3
Convertible loan	0.2	-	-	0.2
Lease liabilities	2.8	9.8	-	12.6
Cash payables to pay-out partners	7.0	-	-	7.0
	136.1	**9.8**	**-**	**145.9**
Derivatives				
Warrants	-	4.8	-	4.8
	-	**4.8**	**-**	**4.8**

[1] Excludes contract liabilities, social security and tax liabilities (deferred tax, VAT, income tax). Following a review, the Group removed social security and tax liabilities from accrual and other payables in 2020 totaling $3.2m to enhance disclosure.

5. Financial risk management (continued)

(c) Market Risk

Foreign exchange risk

The Group is exposed to changes in foreign currency rates as a result of its foreign operations. The Group's primary source of foreign exchange risk is transactional risk relating to money transfer services, in which the Group facilitates money transfers from the send currency in the send country to the receive currency in the receive country. In the majority of cases, the recipient pay-out occurs within a day of sending. To enable payment in the receive currency, the Group prefunds many correspondent partners typically one to two days in advance in accordance with expected volumes. The Group is exposed to exchange risk during this process on amounts recognised in cash advances to pay-out partners, cash due from third party acquirers, cash and cash equivalents and restricted cash held in foreign currencies. For the year ended 31 December 2021 and 2020 the Group's significant foreign currency positions were the Australian dollar, the Canadian dollar, the Euro, the Pound sterling, Philippine peso, Kenyan shilling and the West African CFA franc.

Foreign exchange risk is mitigated through speed of providing the service, efficient forecasting and regular conversion of send currencies into expected receive currencies. To mitigate the foreign exchange risk further from fluctuations in exchange rates between prefunding correspondent partners and settlement, the Group uses forward contracts to hedge its currency risk but does not apply hedge accounting. As of 31 December 2021, the Group had no balances from forward exchange contracts recognised in the consolidated statement of financial position (2020: $nil). During 2021, the Group recognised $nil mark-to-market gain or loss related to forward exchange contracts in the consolidated statement of profit and loss (2020: gain of $0.9m).

Foreign exchange gains and losses on transactional currency and any associated revaluation of balance sheet exposure is recognised in administrative expenses in the consolidated statement of profit and loss. The Group's exposure to foreign currency risk is in the table below, expressed in US dollars.

Million US dollar	**31 December 2021**	31 December 2020
Cash advances to pay-out partners	**121.8**	76.5
Cash due from third party acquirers	**23.9**	25.3
Other debtors	**12.4**	8.5
Cash, cash equivalents and restricted cash	**74.6**	44.5
	232.7	154.8

As of 31 December 2021, with all variables held constant, a 1% strengthening or weakening in the value of the US dollar relative to all other currencies in which loss for the year is generated would have resulted in a decrease/increase of $1.2m (2020: $0.9m) respectively, based on the Group's exposure to foreign currency risk at that date.

The aggregate net foreign exchange loss recognised in administrative expenses in the consolidated statement of profit and loss was $5.4m and $3.7m for the year ended 31 December 2021 and 2020 respectively.

5. Financial risk management (continued)

Currency translation risk arises on consolidation from the accounting translation of foreign subsidiaries from their functional currency into the Group's presentation currency, US dollar, and does not have a significant impact on the Group's results. Foreign currency translation adjustments are recorded within other reserves in the consolidated statement of financial position.

Interest rate risk

Changes in interest rates will affect the Group's obligation for borrowings and the associated interest charge in the consolidated statement of profit and loss for the year. The Group currently does not use derivatives to hedge interest rate exposure.

At 31 December 2021 the Group had $70.3m (2020: $70.3m) of interest-bearing borrowings which were tied to the Wall Street Journal ("WSJ") Prime Rate. The current variable rate as at 31 December 2021 was 3.25% (2020: 3.25%). All other variables constant, a change in the WSJ rate of +/- 1%, the net gain/loss for the Group would be impacted by $0.3m (2020: $0.4m). As at 31 December 2021, the Group had a long-term loan of $248.0m (2020: $nil) outstanding, which is tied to LIBOR. The current variable rate as at 31 December 2021 was 0.1%. All other variables constant, a change in the LIBOR rate of +/- 0.1%, the net loss/gain for the Group would be $nil. The LIBOR transition has no immediate impact on the borrowings of the Group as the LIBOR rate will be publicly available until 2023.

Capital risk management

The Group manages its capital to ensure that all subsidiaries in the Group will be able to continue as 'going concern' while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group manages its capital structure in light of changes in economic conditions and the requirements of the financial covenants. The Group's capital consists of debts and equity attributable to equity shareholders in the parent, comprising the following balances which total $346.2m:

- Share capital and share premium;
- Other reserves; and
- Accumulated losses.

The debt and equity funding rounds are primarily used to finance expansion and fund working capital. The Group has met all necessary debt covenants as at year-end. The Group has not paid or declared dividends.

6. Loss per share

Loss per share is calculated by dividing the loss for the year attributable to equity holders of the Group by the weighted average numbers of ordinary and preference shares outstanding during the year.

Million US dollar	**31 December 2021**	31 December 2020
Loss for the year attributable to equity shareholders	**(150.9)**	(55.0)
Weighted average number of shares outstanding	**47,342,579**	40,426,221
Basic and diluted loss per share	**(3.19)**	(1.36)

No adjustment has been made to the basic loss per share for dilutive shares in the year ended 31 December 2021 or 2020, as the exercise of share options would have the effect of reducing the loss per ordinary share, and therefore is not dilutive. Potentially dilutive ordinary shares relate to contingently issuable shares arising under the Group's Executive Incentive Plan. Refer to Note 25 for disclosure of the unallocated Growth Shares, held in the employee benefit trust, which have been adjusted in the denominator in the loss per share calculation.

7. Operating segments

The Chief Operating Decision Maker ("CODM") has been identified as the Chief Executive Officer ("CEO") and is responsible for allocating resources and assessing performance of the operating segments. Information is presented and reviewed separately for WorldRemit North America, WorldRemit International and Chime Inc. The three operating segments are engaged in international money remittance. The overall aim is to allow users to remit money from a wide range of 'send' countries to 'receive' countries with the common goal of making transfers instant, low cost and secure. Management have assessed that the three operating segments engage in activities that are highly homogeneous in nature and share similar economic characteristics. Therefore, we have considered it appropriate to combine the three operating segments into one aggregated operating segment and one reportable segment, which relates to the provision of digital, international money transfer services.

Set out below is the disaggregation of the Group's revenue by geographical market, based on where the service requests originated from:

Million US dollar	**31 December 2021**	31 December 2020
EMEA	**137.2**	99.6
Americas	**211.9**	97.5
Asia Pacific	**50.3**	40.9
Total	**399.4**	238.0

The table below sets out the non-current assets (excluding deferred tax assets of $8.7m) held by the Group disaggregated by geography:

Million US dollar	31 December 2021	31 December 2020
EMEA	25.6	25.7
Americas	456.9	0.9
Asia Pacific	2.1	2.8
Total	484.6	29.4

8. Expenses by nature

Million US dollar	31 December 2021	31 December 2020
Cost of revenue	**152.6**	80.8
Administrative expenses		
Depreciation of property, plant and equipment	2.3	2.2
Depreciation of right-of-use assets	2.3	2.4
Amortisation of intangible assets	18.3	7.7
Utilities and other office costs	2.9	2.4
Foreign exchange losses, net	5.4	3.7
Employee expense including share-based payments	113.1	69.4
Marketing and communications	93.7	58.3
IT and related costs	26.9	13.3
Consultancy fees	19.9	13.2
Professional fees	17.3	9.9
Irrecoverable VAT	4.3	6.1
Chargeback and other losses	12.5	6.8
Transaction related costs	16.0	6.2
Other costs	3.2	3.7
Total administrative expenses	**338.1**	205.3
Total cost of revenue and administrative expenses	**490.7**	286.1

Following a review, the Group reclassified expenses relating to chargeback and other losses ($3.6m), people and training costs ($0.7m) and irrecoverable VAT ($0.3m) from other costs to ensure alignment with underlying nature and enhance disclosure.

9. Auditors' remuneration

During the year, the Group obtained the following services from the auditors and its associates:

Million US dollar	31 December 2021	31 December 2020
Fees payable to the Company's auditors for the audit of the parent		
Company and consolidated financial statements	**1.8**	1.5
Fees payable to the Company's auditors for other services		
Audit of company's subsidiaries	**1.3**	0.5
Tax advisory and compliance services	**0.2**	1.0
Audit related assurance services	**0.4**	0.2
Other assurance and advisory services	**0.3**	1.0
Total	**4.0**	4.2

10. Finance costs and income

Million US dollar	31 December 2021	31 December 2020
Long-term loan interest	**25.4**	-
Short-term loan interest	**2.3**	0.5
Interest expense on lease liabilities	**0.8**	1.0
Interest expense on deferred consideration	**4.5**	-
Other finance costs	**3.4**	0.4
Total finance costs	**36.4**	1.9
Finance income	**(0.3)**	(0.3)
Total	**36.1**	1.6

11. Employee costs

Million US dollar	31 December 2021	31 December 2020
Wages and salaries [1]	**96.6**	58.6
Share-based payment awards	**9.1**	7.3
Social security costs	**8.5**	3.4
Pension costs	**3.3**	2.1
Other costs	**1.0**	0.7
Total	**118.5**	72.1

[1] Wages and salaries include capitalised development expenses related to our money transfer sofware of $5.4m (2020: $2.7m). See note 14 – Intangible assets for further details.

11. Employee costs (continued)

Total employee costs include the remuneration paid to the directors of the Group. None of the directors were members of the money purchase pension scheme. Directors' emoluments are as follows:

Million US dollar	**31 December 2021**	31 December 2020
Short-term employee benefits	**1.0**	1.9
Share-based payment awards	**2.3**	5.4
Social security costs	**0.1**	-
Other pension costs	**-**	-
Total	**3.4**	7.3

Total remuneration for the highest paid Director was $0.9m (2020: $1.0m) which comprises salaries and bonus emoluments. No shares were exercised by the directors of the Group during the years ended 31 December 2021 and 2020.

Monthly average employee numbers are as follows:

	31 December 2021	31 December 2020
Operational	**961**	845
Support	**567**	257
Total	**1,528**	1,102

12. Pension

The Group operates defined contribution schemes for which the pension costs for the year amounted to $3.3m (2020: $2.1m). As at 31 December 2021, $0.8m (2020: $0.4m) has been included in the Group trade and other payables for contributions to be paid.

13. Income tax

(a) Tax on loss on ordinary activities

Million US dollar	**31 December 2021**	31 December 2020
Current taxation		
Current tax charge for the year	**(0.5)**	(1.8)
Total tax charge	**(0.5)**	(1.8)
Deferred taxation		
Increase in deferred tax assets	**3.4**	1.4
Adjustments for deferred tax of prior periods	**0.7**	-
Total deferred taxation	**4.1**	1.4
Total income tax credit / (expense)	**3.6**	(0.4)

No liability for UK corporation tax arose on ordinary activities in 2021 due to tax losses incurred during the year. Overseas tax is calculated based on net profit in the entities and the local tax statutory rules and rates.

(b) Reconciliation of the total tax charge

The tax charge reported in the consolidated statement of profit and loss for the year is different to the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are reconciled below.

Million US dollar	**31 December 2021**	31 December 2020
Loss before income tax	**(154.5)**	(54.6)
Accounting loss before income tax multiplied by the UK standard corporation tax of 19% (2020: 19%)	**29.4**	10.4
Deductible temporary differences for which no deferred tax asset is recognised	**(25.0)**	(10.8)
Tax relief from research and development	**0.5**	0.6
Difference in overseas tax rates	**0.6**	0.2
Expenses not deductible for tax purposes	**(4.3)**	(0.8)
Timing differences on fixed assets	**1.2**	-
Foreign exchange movements	**0.3**	
Prior year adjustments and other tax relief	**0.9**	-
Total income tax expense	**3.6**	(0.4)

13. Income tax (continued)

(c) Deferred tax

At 31 December 2021 the Group had temporary differences and unused tax losses on which deferred tax assets have not been recognised amounting to $334.6m (2020: $233.5m). Of this, other temporary differences on which deferred tax assets have not been recognised amounted to $12.6m (2020: $31.4m) and unused tax losses amounted to $322.0m (2020: $202.1m). The table below sets out the movement of the deferred tax assets by nature:

Million US dollar	**Accelerated capital allowances**	**Intangibles amortisation**	**Share-based payments**	**Tax losses**	**Other**	**Total**
Balance at 1 January 2020	**-**	**-**	**-**	**-**	**0.2**	**0.2**
Current year movement	-	0.1	6.6	40.3	1.3	48.3
Deferred taxes not recognised	-	-	(6.6)	(40.3)	-	(46.9)
Balance at 31 December 2020	**-**	**0.1**	**-**	**-**	**1.5**	**1.6**
Deferred taxes acquired through business combination	-	(26.4)	-	4.9	0.2	(21.3)
Prior year adjustment	0.4	-	-	0.1	0.2	0.7
Current year movement	0.5	2.5	1.4	(2.0)	1.8	4.2
Foreign exchange movements	-	-	-	-	(0.3)	(0.3)
Balance at 31 December 2021	**0.9**	**(23.8)**	**1.4**	**3.0**	**3.4**	**(15.1)**

The UK Government stated in its budget announcement on 3 March 2021 that the main UK corporation tax rate would increase to 25% from 1 April 2023. However, a subsequent announcement on 23 September 2022 cancelled the proposed changes and no further increases are expected to the current tax rate of 19%.

14. Intangible assets

Million US dollar	Money transfer software and website	Other software	Licences	Goodwill	Customer value	Trade name	Total
Cost							
At 1 January 2020	**30.7**	**3.4**	**1.1**	**-**	**-**	**-**	**35.2**
Additions	6.7	2.2	-	-	-	-	8.9
Foreign exchange	1.5	0.2	-	-	-	-	1.7
At 31 December 2020	**38.9**	**5.8**	**1.1**	**-**	**-**	**-**	**45.8**
Additions	9.8	1.1	-	-	-	-	10.9
Acquisition of Chime Inc.	0.6	0.7	-	356.1	102.4	6.8	466.6
Disposals	-	(4.3)	-	-	-	-	(4.3)
Foreign exchange	(0.5)	(0.1)	-	-	-	-	(0.6)
At 31 December 2021	**48.8**	**3.2**	**1.1**	**356.1**	**102.4**	**6.8**	**518.4**
Accumulated Amortisation							
At 1 January 2020	**22.0**	**3.1**	**0.8**	**-**	**-**	**-**	**25.9**
Charges for the year	5.7	1.8	0.2	-	-	-	7.7
Foreign exchange	0.9	0.2	-	-	-	-	1.1
At 31 December 2020	**28.6**	**5.1**	**1.0**	**-**	**-**	**-**	**34.7**
Charges for the year	6.5	1.0	0.1	-	10.1	0.6	18.3
Disposals	-	(4.3)	-	-	-	-	(4.3)
Foreign exchange	(0.1)	(0.1)	(0.1)	-	-	-	(0.3)
At 31 December 2021	**35.0**	**1.7**	**1.0**	**-**	**10.1**	**0.6**	**48.4**
Net book value							
At 31 December 2020	10.3	0.7	0.1	-	-	-	11.1
At 31 December 2021	**13.8**	**1.5**	**0.1**	**356.1**	**92.3**	**6.2**	**470.0**

14. Intangibles (continued)

Money transfer software and website are all internally developed assets. Other software and licences were externally acquired.

Goodwill, customer value and trade name arose on the acquisition of Chime Inc. (refer to note 22) and is therefore attributable to the Chime Inc. group of entities as an appropriate cash generating unit for the purposes of impairment testing. The remaining useful lives of these acquired assets are as follows:

Asset class	Estimated remaining useful lives
Customer value	8 years
Trade name	9 years
Other software	2 years

Goodwill

The carrying amount of goodwill is tested for impairment at the cash-generating unit level. The cash generating unit level is the lowest level at which goodwill is monitored for internal management purposes. The Group has 2 cash generating units ("CGUs"): WorldRemit and Sendwave.

The Group has completed its annual impairment test for goodwill and concluded that, based on the assumptions described below, no impairment charge was warranted.

The impairment testing methodology is in accordance with IAS 36 *Impairment of Assets*, in which fair value less cost to sell was used to determine the recoverable amount of the CGUs. As described in *Note 4 – Financial instruments*, as the Group is not publicly trading its shares and there is no observable market data to perform a valuation, the Group determined its equity value based on a Black-Scholes pricing model weighing different valuation approaches. The equity value obtained through this model was allocated based on the CGUs' contribution to forecasted and the recoverable amount was determined to be materially higher when compared to goodwill. Sensitivity analyses were applied to the key assumptions (time to liquidity, discount rates, terminal growth value and revenue multiples of core comparable companies) as per *Note 4 – Financial instruments* and no material impact on headroom was observed.

The Group cannot predict whether an event that triggers impairment will occur, when it will occur or how it will affect the value of the asset reported. Goodwill impairment testing relies on a number of critical judgements, estimates and assumptions. The Group believes that all its estimates are reasonable: they are consistent with its internal reporting and reflect management's best estimates. However, inherent uncertainties exist that management may not be able to control. If the Group's current assumptions and estimates, including projected revenue growth rates, competitive and consumer trends, weighted average cost of capital, terminal growth rates, and other market factors, are not met, or if valuation factors outside of the Group's control change unfavourably, the estimated fair value of goodwill could be adversely affected, leading to a potential impairment in the future.

15. Property, plant and equipment

Million US dollar	Office equipment	Computers	Leasehold improvements	Fixture and fittings	Total
Cost					
At 1 January 2020	**1.0**	**3.9**	**4.3**	**1.9**	**11.1**
Additions	0.1	1.0	0.1	0.1	1.3
Foreign exchange	-	0.1	0.1	-	0.2
At 31 December 2020	**1.1**	**5.0**	**4.5**	**2.0**	**12.6**
Additions	-	1.7	-	-	1.7
Disposals	(0.5)	(1.7)	-	(0.6)	(2.8)
Foreign exchange	-	(0.1)	(0.1)	-	(0.2)
At 31 December 2021	**0.6**	**4.9**	**4.4**	**1.4**	**11.3**
Accumulated Depreciation					
At 1 January 2020	**0.7**	**2.2**	**1.6**	**0.9**	**5.4**
Charges for the year	0.2	1.0	0.6	0.4	2.2
Foreign exchange	-	0.1	0.1	-	0.2
At 31 December 2020	**0.9**	**3.3**	**2.3**	**1.3**	**7.8**
Charges for the year	0.1	1.3	0.7	0.2	2.3
Disposals	(0.5)	(1.7)	-	(0.6)	(2.8)
Foreign exchange	-	(0.1)	(0.1)	-	(0.2)
At 31 December 2021	**0.5**	**2.8**	**2.9**	**0.9**	**7.1**
Net book value					
At 31 December 2020	0.2	1.7	2.2	0.7	4.8
At 31 December 2021	**0.1**	**2.1**	**1.5**	**0.5**	**4.2**

16. Leases

Million US dollar	Right-of-use assets
Cost	
At 1 January 2020	**13.4**
Additions	0.1
Foreign exchange	0.4
At 31 December 2020	**13.9**
Additions	-
Foreign exchange	(0.3)
Other movement[1]	(1.1)
At 31 December 2021	**12.5**
Accumulated Depreciation	
At 1 January 2020	**2.3**
Charges for the year	2.4
Foreign exchange	0.1
At 31 December 2020	**4.8**
Charges for the year	2.3
Foreign exchange	(0.1)
Other movement[1]	(0.4)
At 31 December 2021	**6.6**
Net book value	
At 31 December 2020	9.1
At 31 December 2021	**5.9**

[1] In year correction, net movement immaterial.

For the year ended 31 December 2021 and 2020 all right-of-use assets relate to long-term property leases for our offices. The weighted average unexpired term on the leases is 3.1 years at 31 December 2021.

The total current and non-current lease liabilities as at 31 December 2021 were $2.8m (2020: $2.8m) and $5.9m (2020: $9.8m), respectively.

The consolidated statement of profit and loss includes the following amounts relating to leases:

Million US dollar	31 December 2021	31 December 2020
Depreciation charge for right-of-use assets	**2.3**	2.4
Interest expense on lease liabilities	**0.8**	1.0
Expense relating to short-term leases	**0.2**	0.2
	3.3	3.6

17. Other receivables

Million US dollar	31 December 2021	31 December 2020
Deposits	**1.6**	1.8
Prepayments	**9.0**	7.0
Income tax recoverable	**2.1**	1.2
Other debtors	**12.9**	8.5
Loan receivable	**-**	15.0
Total	**25.6**	33.5

Other debtors as of 31 December 2021 included $9.1m (2020: $7.0m) of loans issued to employees for their subscription to Growth Shares.

The Group holds the other debtors, excluding loans issued to employees, with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

18. Trade and other payables

Million US dollar	31 December 2021	31 December 2020 Restated [1]
Trade payables	**19.9**	11.3
Income tax liability	**-**	1.2
Accruals	**33.7**	18.9
Taxes and social security	**2.2**	2.1
Convertible loans	**-**	0.2
Growth shares repurchase obligation [1]	**8.1**	6.9
Other creditors	**17.1**	11.5
Total	**81.0**	52.1

[1] As restated, refer to note 32.

19. Convertible loans

On 21 May 2013, WorldRemit LTD. entered into a convertible loan agreement in the aggregate principal amount of $1.3m with MLC 50 LP Inc ("MLC"), a shareholder of the Group, and on 30 October 2013, WorldRemit LTD. entered into a convertible loan agreement in the aggregate principal sum of $0.9m with MLC (as amended, together, the "Convertible Loan Agreements"). On 2 May 2017, these loans were extended for another four years. The lender was permitted to convert all or part of the loans at any time into ordinary shares at a rate of $0.8 per share for the $1.3m convertible loan and a rate of $1.8 per share for the $0.9m principal convertible loan.

During 2020, the Convertible Loan Agreements were novated from WorldRemit LTD. to WorldRemit Group Limited and the loan was fully converted in February 2021. As at 31 December 2021, $nil (2020: $0.2m) aggregate principal remained outstanding.

20. Settlement assets and obligations

Settlement assets

Million US dollar	**31 December 2021**	31 December 2020
Cash advances to pay-out partners (net of allowance)	**196.6**	106.9
Cash due from third-party acquirers (net of allowance)	**51.1**	30.1
Total	**247.7**	**137.0**

Cash advances to pay-out partners and cash due from third-party acquirers relate to services performed in the ordinary course of business. They are generally immediately due for settlement and therefore are all classified as current.

The Group measures the loss allowance for settlement assets at an amount equal to lifetime expected credit losses. Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 5.

Settlement obligations

Million US dollar	**31 December 2021**	31 December 2020
Pay-out liabilities	**12.3**	15.2
Contract liabilities	**0.6**	0.3
Cash payable to pay-out partners	**36.4**	7.0
Total	**49.3**	**22.5**

Pay-out liabilities consist of amounts due on transactions which the Group is committed to as at the year-end date and includes $2.5m (2020: $1.8m) relating to customer refunds due.

21. Borrowings

Short-term borrowings
As at 31 December 2021, the Group had short-term loans of $70.3m (2020: $70.3m) outstanding.

In December 2015, the Group entered into an agreement (the "SVB Agreement") with SVB that provided revolving credit facilities which at 31 December 2021 were up to $70.0m. As at 31 December 2021, a total of $70.3m (2020: $70.3m) remained outstanding for which the Group placed as financial collateral on shares up to the value of the loan outstanding.

The SVB Agreement may be drawn down at any time and is repayable not more than 45 days from the draw-down date. Amounts drawn are subject to interest rate charges at an annualised rate of Wall Street Journal prime rate plus 2.65% (1.65% up until February 2021). Any interest cost is charged to finance costs in the consolidated statement of profit and loss.

Long-term borrowings
As at 31 December 2021, the Group had a long-term loan of $248.0m (2020: $nil) outstanding.

In February 2021, a $225.0m term loan from BlackRock and Hercules was drawn down to fund the acquisition of Chime Inc., with repayment in four years. An additional drawdown was made in August 2021 of $25.0m. The warrants in connection with this loan are revalued at the end of each reporting period. Interest on the loan is charged at LIBOR plus a margin determined by the lender at the outset. During the period ended 31 December 2021 the prevailing interest rate on the facility was 10.25%.

22. Business combination

On 12 August 2020, WorldRemit Group Limited, WorldRemit Corp. ("Acquirer") and WR Merger Sub Inc. entered into a merger agreement ("Merger Agreement") with Chime Inc. to acquire 100% of the issued share capital and voting rights of Chime Inc. and its subsidiaries, a carve out business of the Chime Group, which owns and operates the Sendwave business. The closing of the acquisition was subject to customary regulatory approvals, including certain change of control approvals required of both Chime Inc. and Acquirer under applicable U.S. money transmission laws. The acquisition date of Chime Inc. was 12 February 2021, after change of control approvals were completed. The Group signed a Letter Amendment to the Merger Agreement ("Merger Amendment") dated 12 April 2021. The primary reason for completing the acquisition is to increase the Group's market share in the money transfer industry and realise synergies, as Chime Inc. complements the Group's existing strategy. Following the merger, Chime Inc. is a wholly-owned subsidiary of WorldRemit.

Details of the total consideration transferred fair value is as follows:

Million US dollar		
Cash consideration	212.6	
Deferred consideration	50.2	(i)
Deferred consideration - fixed contingent consideration	48.8	(ii)
Stock consideration	130.1	(iii)
Converted share options	1.2	(iv)
Debt paid	43.3	(v)
Gross purchase consideration	**486.2**	
Net cash acquired	(41.4)	(v)
Total purchase consideration	**444.8**	

(i) The deferred consideration was to be paid in two tranches as follows: $30.2m on 31 December 2021 and $20.0m on 31 May 2022. In case of a completion of an initial public offering, a qualifying equity raise or any other Group acquisitions, the instalments would be paid after three business days following the completion of any of these events. Due to the Series E equity raise completion on 20 August 2021, the Group was required to pay the total amount in 2021.

(ii) The fixed contingent consideration is payable on the earlier of ten business days following the completion of an initial public offering, any other Group acquisitions, or 31 May 2022. The Merger Agreement was amended on 21 April 2021, which fixed the contingent consideration amount at $55.0m (the net present value was $48.8m at acquisition date). This, now fixed, consideration amount was discounted to its net present value as of the acquisition date. As at 31 December 2021, the Group had a contingent consideration payable of $51.7m.

(iii) The stock consideration of $130.1m, which had a fair value of $140.0m, was received by the sellers at closing of the Merger Agreement. The fair value of the shares was reduced by a call option of $9.7m granted by the sellers to the Group, in which WorldRemit has the option to buy back 30.0% of the stock consideration until the second anniversary of the Merger Agreement.

(iv) As part of the Agreement, certain employees of Chime Inc. who had held share options in Chime Inc. ("Chime Options") were entitled to receive rollover options in WorldRemit Group Limited. The options were fully vested as at Merger Agreement date and its fair value was included as part of the consideration transferred to the sellers.

22. Business combination (continued)

(v) The total debt paid at acquisition date was of $43.3m, comprising $42.5m of external debt and notes payables with financial institutions, accrued taxes ($0.1m) and promised share options ($0.7m) that were treated as debt like for the purpose of calculating the purchase consideration. The net cash acquired includes cash and cash equivalents of $23.5m, restricted cash of $0.1m and cash advances to pay-out partners of $30.4m, partially offset by a liability due to option holders that was paid at acquisition date of $12.6m.

The fair value of deferred consideration, contingent consideration and stock consideration was discounted using a weighted average cost of capital. The excess earnings method was used to value the intangible asset customer value, the relief-from-royalty approach was used to value the trade name, the cost approach was used to value the technology and the Black-Scholes approach was used to value the call option.

The table below summarises the impact of this acquisition on the consolidated statement of financial position and cash flows for the year ended 31 December 2021:

Million US dollar	**31 December 2021**
Intangibles:	
Customer value	102.4
Trade name	6.8
Technology	1.3
Deferred tax assets	5.4
Other receivables	2.2
Settlement assets	10.6
Total assets	**128.7**
Deferred tax liability	26.7
Trade and other payables	4.4
Settlement obligations	8.8
Total liabilities	**39.9**
Net identifiable assets and liabilities	**88.8**
Goodwill on acquisition	356.1
Cash paid in prior years [1]	(15.0)
Items included in net of cash acquired (Restricted cash, cash advances to pay-out partners and amounts due to option holders of Chime Inc.)	17.8
Contingent consideration to be paid	(48.8)
Consideration paid during the year	**398.9**
Stock consideration	(130.1)
Converted share options	(1.2)
Net cash outflow of the year	**267.6**

[1] On 17 December 2020, the Group negotiated a loan to lend $15.0m to Chime Inc. due within 12 months. As part of the Merger Agreement, this was settled and included in the cash consideration.

22. Business combination (continued)

The goodwill is attributable to Chime Inc.'s strong market share position in the mobile money transfer industry and synergies expected to arise after the Company's acquisition of the new subsidiary. None of the goodwill is expected to be deductible for tax purposes.

Acquisition-related costs of $15.4m were not directly attributable to the issue of shares and expensed within administrative expenses in the consolidated statement of profit and loss.

The acquired business contributed revenues of $104.7m and net profit of $3.9m to the Group for the period from 12 February 2021 to 31 December 2021. If the acquisition had occurred on 1 January 2021, consolidated pro-forma revenue and loss for the year ended 31 December 2021 would have been $409.0m and $(150.7)m, respectively. These amounts have been calculated using the subsidiary's results and adjusting them for the additional amortisation that would have been charged assuming the fair value adjustments to intangible assets had applied from 1 January 2021, together with the consequential tax effects.

23. Share capital and share premium

Share capital represents the aggregate nominal value of all Series A, Series B, Series C, Series C2, Series D and Series E shares (together "Preference Shares"), ordinary shares and B ordinary shares (together "Ordinary Shares") and E, F1 and F2 ordinary shares ("Growth Shares") in issue. All Preference, Ordinary and Growth Shares have a nominal value of $0.0001 and are fully paid up.

All holders of Ordinary Shares and Preference Shares are entitled to full voting rights, full dividend rights, and no rights of redemption. On a distribution of assets on liquidation or a return of capital (other than a conversion, redemption or purchase of Shares), the surplus assets of the Group remaining after the payment of its liabilities shall be distributed in accordance with Article 5 of the articles of association of the Group whereby holders of Preference Shares rank ahead of holders of Ordinary Shares and holders of Growth Shares, but limited in value to the liquidation preference stipulated in the articles of association.

Share premium comprises amounts received/receivable above the nominal value of the Preference, Ordinary and Growth Shares.

23. Share capital and share premium (continued)

Million US dollar (except number of shares in millions)	Number of shares	Share capital	Share premium	Total
At 1 January 2020	**38.6**	**-**	**337.0**	**337.0**
Issued during the year	3.6	-	8.5	8.5
Ordinary shares - exercise of employee stock options	0.1	-	0.2	0.2
At 31 December 2020, as previously reported	**42.3**	**-**	**345.7**	**345.7**
Creation of merger reserve on group restructuring	-	-	(341.4)	(341.4)
At 31 December 2020, as restated [1]	**42.3**	**-**	**4.3**	**4.3**
Issued during the year	2.7	-	259.0	259.0
Ordinary shares - exercise of employee stock options	0.1	-	0.1	0.1
Stock consideration in relation to Chime Inc. acquisition	4.5	-	130.1	130.1
Convertible loans conversion	0.2	-	0.2	0.2
At 31 December 2021	**49.8**	**-**	**393.7**	**393.7**

[1] As restated, refer to note 32.

On 29 May 2020, as part of the Group restructuring, WorldRemit Group Limited entered in a share for share exchange agreement with WorldRemit LTD. in which WorldRemit Group Limited issued shares to the shareholders of WorldRemit LTD. in the same number and classes of shares as previously held in the Company (including warrants). The transaction was completed under section 612 of the Companies Act 2006 meaning that a merger reserve, rather than share premium, is recognised in the Company statement of financial position. The merger reserve is the difference between the net assets of WorldRemit LTD. and the nominal value of the shares issued as at the date of the transaction and the novation of the convertible loan agreement with MLC.

On 12 August 2020, the Group acquired 100% of the issued share capital of Chime Inc., as carve out business of the Chime Group, which owns and operates the Sendwave business. Part of the consideration paid was deemed to be settled in shares. For this purpose, the Group contributed with a total of $4.5m shares amounting to $130.1m. The Stock consideration has an escrow clause in which 10% of the shares were held with an independent third party. 50% of the escrow was released in February 2022 and the remainder will be released in February 2023 for the purpose of securing indemnification obligations of the Securityholders pursuant to any relevant claims under the merger agreement.

On 20 August 2021, the Group issued 2.7m Series E shares by completing its funding round and raised $259.0m, net of fees. The round included new equity investors, including Farallon Capital, as well as backing from existing investors LeapFrog Investments, TCV and Accel Partners.

In addition to these share issuances, in 2021, the Group issued 0.1m (2020: 0.1m) Ordinary shares to employees amounting to $0.1m (2020: $0.2m) as part of the stock options that were exercised related to the Group's share-based payment plans (refer to note 25).

23. Share capital and share premium (continued)

The table below shows the number of shares per class and its respective share premium for the years ended 31 December 2021 and 31 December 2020:

	Number of shares (in millions)	Number of shares (in millions)
Ordinary shares	21.1	16.3
B Ordinary shares	2.8	2.8
E Ordinary shares	2.3	3.6
F1 Ordinary shares	0.1	-
F2 Ordinary shares	1.2	-
Preference shares:		
Series A	6.6	6.6
Series B	4.2	4.2
Series C	1.9	1.9
Series C2	1.2	1.2
Series D	5.7	5.7
Series E	2.7	-
Total	**49.8**	**42.3**

As at 31 December 2021 a total of 2.0m Ordinary shares (2020: 6.8m) were authorised but not issued.

Share buyback agreements

The Group has agreements in place with various shareholders that give the Group the option to buy back up to 0.3m shares. The option to buy back the shares is contingent upon the exercise of share options by certain option holders. To date these share options have not been exercised.

24. Other reserves

Million US dollar	Share-based payment reserve	Foreign exchange translation	Own shares reserve	Other reserves	Total
At 1 January 2020	**19.3**	**(1.0)**	**-**	**0.2**	**18.5**
Foreign currency translation	-	3.0	-	-	3.0
Share-based payment awards	7.3	-	-	-	7.3
Conversion of cash-settled awards into growth shares	0.9	-	-	-	0.9
Own shares acquired for employee benefit trust	-	-	(2.1)	-	(2.1)
At 31 December 2020, as previously reported	**27.5**	**2.0**	**(2.1)**	**0.2**	**27.6**
Own shares acquired for employee benefit trust – adjustment	-	-	(6.9)	-	(6.9)
Creation of merger reserve on group restructuring	(23.1)	-	-	364.5	341.4
At 31 December 2020, as restated [1]	**4.4**	**2.0**	**(9.0)**	**364.7**	**362.1**
Foreign currency translation	-	0.9	-	-	0.9
Share-based payment awards	9.1	-	-	-	9.1
Converted options in relation to Chime Inc. acquisition	1.2	-	-	-	1.2
Own shares acquired for employee benefit trust	-	-	0.9	-	0.9
At 31 December 2021	**14.7**	**2.9**	**(8.1)**	**364.7**	**374.2**

[1] As restated, refer to note 32.

On 29 May 2020, as part of the Group restructuring, WorldRemit Group Limited entered in a share for share exchange agreement with WorldRemit LTD. in which WorldRemit Group Limited issued shares to the shareholders of WorldRemit LTD. in the same number and classes of shares as previously held in the Company. The creation of merger reserve on Group restructuring relates to parent company merger relief of $103.0m (which includes $23.1m in relation to the share-based payment reserve), under section 612 of the Companies Act 2006, and the difference between the share capital and share premium of WorldRemit Group Limited and WorldRemit LTD., which amounts to $261.5m.

25. Share-based payments

CSOP and Unapproved Plans

In October 2016 the Group established:

i) an equity-settled share-based compensation plan under the Tax Advantaged Group Share Option Initiative ("CSOP") for certain Group employees under which the Group receives services from employees as consideration for equity option instruments (share options) of the Group.

ii) three further equity-settled share-based compensation plans ("Unapproved Plans") for certain Group employees under which the Group receives services from employees as consideration for equity option instruments (share options) of the Group.

For the CSOP and Unapproved Plans the fair value of the employee services received in exchange for the grant of options for ordinary shares is expensed in each reporting period, based on the Group's estimate of ordinary shares that will eventually vest and the value of the share price as at period-end. The estimated employee expense for all these options will be evaluated each reporting period until options are no longer eligible to vest or have fully vested.

WorldRemit Employee Benefit Trust ("EBT") and Growth Shares

In April 2020, the Group established the EBT to aid the holding of shares of the Company by the Company's employees. The trust was created and held E Ordinary shares ("Growth Shares"), which have an equity-hurdle of $638.5m resulting in them accruing value above and beyond the hurdle rate in an exit event. During 2020, a total of 3.6m shares were issued by the Group and on 31 December 2020 a total of 0.9m unallocated Growth Shares were held by the EBT.

The Growth Shares issued to employees in 2020, represented both new grants and grants that replaced the majority of existing equity-settled share-based arrangements of the Unapproved Plans. The grants which replaced existing equity-settled awards under the Unapproved Plans, were assessed as to whether such replacements were modifications or cancellations of the original awards. On the basis that all terms of the Unapproved Plans remained the same, including number of awards to individuals and associated vesting conditions, these issuances are in substance modifications, as opposed to cancellations. As such, the fair value of the Growth Shares was measured at the modification date using a Monte-Carlo valuation model and compared to the valuation of the replaced original awards at the modification date where fair value was determined using a Black-Scholes option pricing model. This resulted in no incremental fair value granted and therefore, the expense recognised in the period for these awards is based on the valuation of the Unapproved Plans at their respective grant dates and will continue to be recognised over the service period.

In March 2021, the Group performed the redesignation of 1.3m unallocated Growth Shares and created 0.1m F1 Ordinary shares and 1.2m F2 Ordinary shares equity-hurdles of $1.8bn and 3.0bn, respectively (also referred to as "Growth Shares" hereafter). The new classes of shares issued were fully distributed during the year, however due to forfeitures, on 31 December 2021, the EBT held a total of 0.1m Growth Shares.

25. Share-based payments (continued)

For the new grants issued in 2020 and 2021, the fair value of the awards was determined at the grant date using a Monte-Carlo valuation model, with the fair value of the Growth Shares representing the amount recognised in the consolidated statement of profit and loss over the service period.

For the CSOP, Unapproved Plans and Growth Shares, non-market vesting conditions are included in assumptions about the number of awards that are expected to vest, and this estimate is reassessed at the end of each period.

Restricted Stock Units ("RSUs") and stock options for Chime Inc. employees

As part of the Merger Agreement, the Group was required to grant incentives to Chime Inc. employees to continue employment within the Group. One condition of the plan is that an exit event were to occur prior to the one-year anniversary of the agreement. Were this not to happen, the options would become double the number of RSUs granted initially to the employees at acquisition date.

The fair value of the option awarded is determined through a Black-Scholes model and the contractual exercise price is considered to be fair value of the common stock at grant. Management assessed that the grant date has not occurred as formal documentation between the two parties is not final and therefore management have estimated this. Management will continue to estimate the fair value of the awards until a formal grant date is established.
Based on current valuations of the common stock value of the Group's shares, management estimated the fair value of the options, through a Black-Scholes option pricing, to be equal to $15.65 per option. A total number of 746,694 options is deemed to be granted to employees. The Group has recognised a total expense of $6.2m in relation to this incentive in the consolidated statement of profit and loss for the year ended 31 December 2021.

In addition to this retention incentive, certain employees of Chime Inc. who had held share options in Chime Inc. were entitled to receive rollover options in WorldRemit Group Limited. A total of 60,590 fully vested options were granted to Chime Inc. employees with a fair value of $1.2m included as part of the purchase consideration (see note 22 for further details).

25. Share-based payments (continued)

Details of the movements in the number of share options and Growth Shares during each period are as follows:

	Options		Growth shares		
	Average exercise price per share ($)	**Number of share options (millions)**	**Average exercise price per share ($)**	**Number of Growth Shares (millions)**	**Total shares (millions)**
At 1 January 2020	**1.38**	**2.4**	**-**	**-**	**2.4**
Granted during the year	-	-	2.53	0.6	0.6
Forfeited during the year	-	-	2.53	(0.1)	(0.1)
Exercised during the year	3.92	(0.1)	-	-	(0.1)
Converted from share option plans to Growth Shares	1.26	(2.3)	2.53	2.3	-
At 31 December 2020	**-**	**-**	**2.53**	**2.8**	**2.8**
Vested and exercisable at 31 December 2020 [2]	**-**	**-**	**2.53**	**1.2**	**1.2**
At 1 January 2021	-	**-**	**2.53**	**2.8**	**2.8**
Granted during the year	49.54	0.8	2.58	1.3	2.1
Forfeited during the year	-	-	2.53	(0.5)	(0.5)
Converted options in relation to Chime Inc. acquisition	4.11	0.1	-	-	0.1
At 31 December 2021 [1]	**42.20**	**0.9**	**2.55**	**3.6**	**4.5**
Vested and exercisable at 31 December 2021 [2]	**4.08**	**0.1**	**2.55**	**1.8**	**1.9**

[1] As at 31 December 2021, the Group had a total of 11.,300 outstanding share options (2020: 31,400) from the CSOP and Unapproved schemes with an average exercise price per share of $4.12 (2020: $4.67) in addition to the 60,590 converted options in relation to the Chime Inc. acquisition, from which 9,400 outstanding share options (2020: 20,900) are fully vested and exercisable.

[2] Growth Shares are not exercisable by each participant once the shares are initially bought by the participant and they are subsequently held by the WorldRemit Employee Benefit Trust. The total balance disclosed contains the fully vested Growth Shares at each closing date.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2021 was 9 years (2020: 7 years). There were no options granted in the year in addition to the Growth Shares. The weighted average fair value of the Growth Shares granted in the year was $5.3 (2020: $12.9). The range of exercise prices for options outstanding, excluding the equity incentives granted to Chime Inc. employees in which the exercise prices are being estimated, at the end of the year was $3.72 - $7.39 (2020: $3.22 - $5.43).

25. Share-based payments (continued)

In determining the fair value of share-based payment awards granted in the period, the following inputs were used:

	Growth Shares
Weighted average fair value at measurement date ($)	5.3
Dividend yield	nil
Expected volatility	30%-60%
Risk-free interest rate	0.2-0.3%
Vesting period of Growth Shares	4 years
Equity hurdle ($bn)	1.8-3.0

Expenses arising from the equity-settled share-based payment transactions described above for the years ended 31 December 2021 and 2020 were $9.1m and $7.3m, respectively.

26. Provisions (short-term and long-term)

Million US dollar	**31 December 2021**	31 December 2020
Opening balance	**0.5**	2.6
Addition	**0.5**	-
Release	**-**	(2.1)
Closing balance	**1.0**	0.5

As at 31 December 2021, the provision consisted of a dilapidation provision of $0.6m (2020: $0.5m) related to the existing lease contracts of the Group and an onerous software licence provision of $0.4m which is split across short-term and long-term liabilities.

27. Reconciliation of liabilities arising from financing activities

Million US dollar	Lease liabilities	Warrants	Convertible loan notes	Borrowings	Total
Balance at 1 January 2020	**14.5**	**2.3**	**0.2**	**35.1**	**52.1**
Cash movements:					
Proceeds from borrowings	-	-	-	35.0	35.0
Lease repayments	(2.5)	-	-	-	(2.5)
Interest paid	(1.0)	-	-	(0.6)	(1.6)
Non-cash movements:					
Lease acquired	0.1	-	-	-	0.1
Changes in fair value	-	2.5	-	-	2.5
Foreign exchange	0.5	-	-	-	0.5
Interest accrued and others	1.0	-	-	0.8	1.8
Balance at 31 December 2020	**12.6**	**4.8**	**0.2**	**70.3**	**87.9**
Cash movements:					
Proceeds from borrowings	-	-	-	236.0	236.0
Lease repayments	(3.0)	-	-	-	(3.0)
Interest paid	(0.8)	-	-	(22.8)	(23.6)
Non-cash movements:					
Lease acquired	-	-	-	-	-
Changes in fair value	-	12.3	-	-	12.3
Foreign exchange	-	-	-	-	-
Interest and others	(0.1)	0.8	(0.2)	34.8	35.3
Balance at 31 December 2021	**8.7**	**17.9**	**-**	**318.3**	**344.9**

For 2021 and 2020, other non-cash movements primarily relate to finance costs.

28. Commitments

Capital commitments

The Group has various commercial agreements with vendors as well as land and buildings under non-cancellable lease agreements. As disclosed in the accounting policies, the Group has adopted IFRS 16 (see note 16). The Group has no other material capital commitments as at 31 December 2021 (2020: $nil).

The repayment analysis of the non-cancellable leases is disclosed in the note 16 of the financial statements.

29. Financial guarantees

The Company is a guarantor for third party guarantees which as at 31 December 2021 amounted to $327.9m (2020: $225.9m). The Company signed an agreement in December 2020 to be a guarantor to WorldRemit LTD. for a $225.0m credit facility that was drawn down subsequent to the year-ended 31 December 2020 from entities affiliated with BlackRock and Hercules. Refer to note 21 for further information.

In addition, the Company is the guarantor to WorldRemit LTD. for a $70.0m revolving credit facility with Silicon Valley Bank (the “SVB RCF”), which is used to fund working capital. BlackRock and Hercules hold a junior security interest in the Group’s assets, subordinated to security currently held by Silicon Valley Bank in respect of the liabilities under the SVB RCF (which is held by Alter Domus Trustees (UK) Limited on behalf of SVB, as well as BlackRock and Hercules). The security in both cases includes, but is not limited to, the Group’s capital stock, cash and accounts receivables (see note 21).

30. Restricted cash

The Group safeguards customer funds in accordance with the Payment Services Regulations (2009)19(5). It has established safeguarding accounts with its bank for this purpose. Safeguarded funds are held when a customer transaction is delayed until the Group has paid out the corresponding payment or the customer has been refunded. As at 31 December 2021 funds held in safeguarding bank accounts amounted to $15.2m (2020: $11.9m).

The remaining balance of restricted cash as at 31 December 2021 of $2.5m (2020: $2.3m), is split between two entities. A total amount of $0.3m (2020: $0.3m) relates to South Africa licensing laws and is a capital requirement for WorldRemit South Africa to trade. An amount of $2.2m (2020: $2.0m) is held in accordance with Belgian company law and is required to be maintained until the legal entity, WorldRemit Belgium S.A., is dissolved.

31. Related party transactions

Key management personnel compensation

Following a re-organisation, we have re-assessed who we consider to be the 'Key management personnel' of the business. These are deemed to be the C-Suite, which includes the CEO and CFO.

Million US dollar	**31 December 2021**	31 December 2020
Short-term employee benefits	**4.1**	1.9
Share-based payment awards	**4.9**	5.4
Termination benefits	**0.2**	-
Total	**9.2**	7.3

Short-term employee benefits include wages and salaries, bonus emoluments and social security costs.

Transactions with other related parties

On 21 May 2013, WorldRemit LTD. entered into a convertible loan agreement in the aggregate principal amount of $1.3m with MLC 50 LP Inc ("MLC"), and on 30 October 2013, WorldRemit LTD. entered into a convertible loan agreement in the aggregate principal sum of $0.9m with MLC (as amended, together, the "Convertible Loan Agreements"). During the period the Convertible Loan Agreements were fully converted to equity (2020: $0.2m aggregate principal outstanding).

As outlined in note 25, the Group established the EBT during the prior period. The Group issued loans of $9.1m (2020: $7.0m) to employees of the Group to enable them to subscribe for E Ordinary Shares ("Growth Shares"). Of the loans issued, there were loans made to KMP which were $8.2m as at December 2021. There have been no interest charges on these loans or movement in the loan balances from 2020 with the exception of a loan cancellation due to a leaver in the year.

32. Prior year adjustments

The following table sets forth the total impact of prior year restatements in the consolidated statement of financial position for the year ended 31 December 2020:

Million US dollar	As previously presented	Recognition of financial liabiliy	Creation of merger reserve on group restructuring	As restated
Non-current assets	31.0	-	-	**31.0**
Current assets	227.4	-	-	**227.4**
Total assets	258.4	-	-	**258.4**
Equity				
Share capital and share premium	345.7	-	(341.4)	**4.3**
Other reserves	27.6	(6.9)	341.4	**362.1**
Accumulated losses	(270.8)	-	-	**(270.8)**
	102.5	(6.9)	-	**95.6**
Non-current liabilities	15.1	-	-	**15.1**
Current liabilities				
Lease liabilities	2.8	-	-	**2.8**
Short-term borrowings	70.3	-	-	**70.3**
Trade and other payables	45.2	6.9	-	**52.1**
Settlement obligations	22.5	-	-	**22.5**
	140.8	6.9	-	**147.7**
Total equity and liabilities	258.4	-	-	**258.4**

The Group restated its previously issued consolidated financial statements for the year ended 31 December 2020 to reflect an adjustment in relation to the recognition of a constructive obligation when Growth Shares are repurchased from leavers. The WorldRemit Employee Benefit Trust buys back, with majority shareholder approval, the shares granted to the participants of the scheme in the event the employment relationship is terminated before the 4-year vesting period of the award. The obligation will be extinguished when the 4-year vesting period is over, and shares become unconditional. A financial liability of $6.9m was recognised in the consolidated statement of financial position on 31 December 2020 with a corresponding impact on the own shares reserve in the consolidated statement of changes in equity.

32. Prior year adjustments (continued)

In addition, the Group restated the consolidated statement of changes in equity to reflect the creation of a merger reserve, which comprises the parent company merger relief and the differences arising on consolidation as part of the Group restructure, which had previously been presented within Share Capital and Share Premium. On 29 May 2020, as part of the Group restructuring, WorldRemit Group Limited entered in a share for share exchange agreement with WorldRemit LTD. in which WorldRemit Group Limited issued shares to the shareholders of WorldRemit LTD. in the same number and classes of shares as previously held in the Company. The transaction was completed under section 612 of the Companies Act 2006 meaning that a merger reserve, rather than share premium, is recognised in the Company and consolidated statement of financial position.

33. Non adjusting events after the financial period

Nothing to note.

WORLDREMIT GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

Million US dollar	Note	31 December 2021	31 December 2020 Restated
Non-current assets			
Investment in subsidiaries	4	**319.0**	111.6
Total non-current assets		**319.0**	111.6
Current assets			
Other receivables	5	**197.0**	4.6
Total current assets		**197.0**	4.6
Total assets		**516.0**	116.2
Equity			
Share capital and share premium	9	**393.7**	4.3
Other reserves	10	**109.9**	100.7
Accumulated losses		**(13.6)**	(0.8)
Equity attributable to owners of the company		**490.0**	104.2
Non-current liabilities			
Derivative financial instruments	7	**17.9**	4.8
Total non-current liabilities		**17.9**	4.8
Current liabilities			
Convertible loans	8	**-**	0.2
Trade and other payables	6	**8.1**	7.0
		8.1	7.2
Total liabilities		**26.0**	12.0
Total equity and liabilities		**516.0**	116.2

[1] As restated, refer to note 12.

As permitted by Section 408 of the Companies Act 2006, a separate Profit and Loss account of the parent Company has not been presented. The parent Company's loss for the year ended 31 December 2021 was $12.8m (2020: loss for the period between 11 October 2019 and 31 December 2020 was $0.8m).

The financial statements on pages 86 to 98 were approved by the Board of Directors on 29 September 2022 and signed on its behalf by:

DocuSigned by:

Mark Lenhard

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Mark Lenhard, Director

WORLDREMIT GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

Million US dollar	Note	Share capital and share premium	Other reserves	Accumulated losses	Total equity
Balance at 11 October 2019		**-**	**-**	**-**	**-**
Loss for the period		-	-	(0.8)	(0.8)
Foreign currency translation		-	0.2	-	0.2
Total comprehensive expense for the period		**-**	**0.2**	**(0.8)**	**(0.6)**
Share-based payment awards	10	-	4.4	-	4.4
Shares issued	9	4.3	-	-	4.3
Share for share exchanges in Group restructuring	10	-	103.0	-	103.0
Balance at 31 December 2020, as previously reported		**4.3**	**107.6**	**(0.8)**	**111.1**
Own shares acquired for employee benefit trust - adjustment		-	(6.9)	-	(6.9)
Balance at 31 December 2020, as restated [1]		**4.3**	**100.7**	**(0.8)**	**104.2**
Loss for the year		-	-	(12.8)	(12.8)
Foreign currency translation		-	-	-	-
Total comprehensive income for the year		**-**	**-**	**(12.8)**	**(12.8)**
Share-based payment awards	10	-	9.1	-	9.1
Shares issued	9	259.1	-	-	259.1
Stock consideration in relation to Sendwave acquisition	9	130.1	-	-	130.1
Converted options in relation to Chime Inc. acquisition	10	-	1.2	-	1.2
Own shares aquired for employee benefit trust	10	-	(1.1)	-	(1.1)
Convertible loans conversion	8	0.2	-	-	0.2
Balance at 31 December 2021		**393.7**	**109.9**	**(13.6)**	**490.0**

[1] As restated, refer to note 12.

The accompanying notes are an integral part of these company financial statements.

1. General information

WorldRemit Group Limited ("the Company") is a private company limited by shares and was incorporated on 11 October 2019 under the Companies Act 2006 and domiciled in England, United Kingdom. The address of the registered office is 3 More London Riverside, London, SE1 2RE. The Company's registration number is 12257809. There is no ultimate controlling party.

The Company is the ultimate parent company of WorldRemit Group whose principal activity is providing digital international money transfer services using a leading mobile cross-border payments platform.

2. Summary of significant accounting policies

New and amended standards issued and effective

The new and amended standards issued and effective for the periods commencing on or after 1 January 2021 did not have a material impact on the Group. These include the following standards:

- COVID-19 related Rent Concessions; - Amendments to IFRS 16
- Interest Rate Benchmark Reform – Phase 2

New standards, amendments and interpretations issued but not effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions and include the following:

- IFRS 17 Insurance Contracts
- Property, Plant and Equipment: Proceeds before intended use - Amendments to IAS 16
- Reference to the Conceptual Framework - Amendments to IFRS 3
- Onerous Contracts - Cost of Fulfilling a Contract - Amendments to IAS 37
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimates - Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

Basis of preparation

The financial statements of the Company have been prepared under Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) in conformity with the requirements of the Companies Act 2006. The financial statements are presented in US dollars and have been prepared under the historical cost convention, modified to include the valuation of derivative financial liabilities at fair value through profit and loss, to the extent required or permitted under FRS 101 as set out in the relevant accounting policies. Accounting policies have been applied consistently.

Going concern

The directors have adopted the going concern basis in preparing these financial statements, after assessing the Company's principal risks, which assumes the Company will be able to meet its liabilities when they fall due. The assessment of going concern, has been performed on a Group basis. Please refer to the going concern assessment in the consolidated financial statements.

Exemptions
The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures'
- IAS 7 'Statement of cash flows'
- IAS 24 'Related party disclosure' (key management compensation)
- The effect of accounting standards not yet effective
- A statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement

In addition, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of WorldRemit Group Limited. These financial statements do not include certain disclosures in respect of:

- Share-based payments and employee benefits
- Convertible loans
- Warrants
- Tax

In all respects, the Company applies the same accounting policies as the Group, which, as stated above, are outlined in the notes to the consolidated financial statements. In addition, the following accounting policies are also applied, given the Company's function as holding company for the Group.

Trade and other payables
Trade payables comprise obligations to pay suppliers for goods and services used in the ordinary course of business and money transfers not yet disbursed to the intended recipient. Trade payables are classified as current liabilities if settlement is due within one year or less. If not, they are presented as non-current liabilities.

Foreign currency translation

Functional and presentation currency
The Company's functional currency was Pound sterling but adopted the Group's presentation currency for consistency in 2020 which is US dollar.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement to year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Company statement of profit and loss.

2. Summary of significant accounting policies (continued)

Share capital

Ordinary and preference shares are classified as equity as they relate to residual interests in the net assets of the Company after deducting all its liabilities. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Other receivables

The Company's other receivables primarily relate to loans to employees.

Other receivables are carried at amortised cost less impairment losses. To determine the appropriate amount to be impaired, factors such as significant financial difficulties of the debtor, probability that the debtor will default, enter into bankruptcy or financial reorganisation, or delinquency in payments are considered.

Other receivables are initially recognised at fair value and subsequently measured at amortised cost. Any impairment losses and foreign exchange gains and losses are directly recognised in profit or loss.

Investments in subsidiaries

Investments in subsidiaries are stated at cost, less any provisions to reflect impairment in value. The share-based payment awards increase the investment value of the Company once the services of the Company's employees are rendered in the subsidiary undertakings.

3. Critical accounting judgements and key sources of estimation uncertainty

Refer to note 3 in the consolidated financial statements where the judgements and estimation relating to share-based payments and warrants are disclosed.

4. Investment in subsidiaries

Million US dollar	**Investment value**
Shares in Group undertakings	
At 11 October 2019	-
Additions	111.6
Net book value at 31 December 2020	**111.6**
Additions - Chime Inc.	131.3
Capital contributions	76.1
Net book value at 31 December 2021	**319.0**

<u>Acquisition of Chime Inc. (“Sendwave”)</u>

On 12 August 2020, WorldRemit Group Limited, WorldRemit Corp. (“Acquirer”) and WR Merger Sub Inc. entered into a merger agreement (“Merger Agreement”) with Chime Inc. The closing of the acquisition was subject to customary regulatory approvals, including certain change of control approvals required of both Chime Inc. and Acquirer under applicable U.S. money transmission laws. Subsequently, the change of control approvals were completed on 12 February 2021, and WorldRemit Group Limited (the "Group"), through WorldRemit Corp, acquired 100% of the issued share capital of Chime Inc., a carve out business of the Chime Group, which owns and operates the Sendwave business. The Merger Agreement was amended on 21 April 2021, which fixed the contingent consideration amount at $55.0m payable on 31 May 2022. The primary reason for completing the acquisition is to increase the Group’s market share in the mobile money transfer industry and realising synergies as Chime Inc. complements the Group’s existing strategy. Following the merger, Chime Inc. is a wholly-owned subsidiary of the Acquirer and an indirect subsidiary of WorldRemit Group Limited. Please refer to note 22 in the consolidated financial statements which details further information on the acquisition.

In the prior period, WorldRemit Group Limited participated in a share for share exchange with WorldRemit LTD., resulting in WorldRemit Group Limited being the new ultimate parent entity of the WorldRemit Group. The cost of investment in subsidiaries recognised on the Company statement of financial position at 31 December 2020, reflects the net assets of WorldRemit LTD. and capital contributions for novated agreements including convertible loan notes. In addition to the merger reserve, the investments increased due to the novation of the warrants (see note 4) and the recognition of the share-based payments awards as the employees with options rendered its services in the Company’s subsidiaries.

WORLDREMIT GROUP LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS

4. Investments in subsidiaries (continued)

The Company holds the entire issued share capital of the following companies either directly or indirectly:

Name of subsidiary	Principal activity	Registered office and country of incorporation	Proportion of ownership interest and voting rights held
WorldRemit Finance Limited	Holding company	3 More London Riverside, London, SE1 2RE United Kingdom	100% [1]
WorldRemit Holding Limited	Holding company	3 More London Riverside, London, SE1 2RE United Kingdom	100%
WorldRemit Mexico, S.A. de C.V.	Money transfer	Ave. Ricardo Margain Zozaya No. 335, Piso 4, Valle del Campestre, San Pedro Garza Garcia, Nuevo Leon, 66265, Mexico	100%
WorldRemit LTD.	Money transfer	3 More London Riverside, London, SE1 2RE United Kingdom	100%
WorldRemit Corp.	Money transfer	600 17th Street, Suite 200S, Denver, CO 80202 United States of America	100%
WorldRemit Pty Ltd.	Money transfer	Level 16, 1-7 Castlereagh Street, Sydney, NSW 2000 Australia	100%
WorldRemit Inc	Money transfer	1000 rue de la Gauchetiere Ouest, Suite 2400, 24th floor, Montreal, QC, H3B 4W5 Canada	100%
WorldRemit (Hong Kong) Ltd.	Money transfer	Wilson House 1001-2, 19 Wyndham Street, Central Hong Kong	100%
WorldRemit (New Zealand) Ltd.	Money transfer	PFK Goldsmith Fox, Level 1, 100 Moorhouse Avenue, Christchurch, 8011 New Zealand	100%
WorldRemit (Singapore) Pte Ltd.	Money transfer	16 Raffles Quay, #33-03, Hong Leong Building, 048581 Singapore	100%
WorldRemit (Malaysia) SDN BHD.	Money transfer	Suite 3A. 3A Plaza Damas, No.60 Jalan Sri Hartamas 1, KL 50480 Malaysia	100%
WorldRemit South Africa Pty Ltd.	Money transfer	35 Fricker Road, Illovo, Sandton, Johannesburg, 2196 South Africa	100%

4. Investments in subsidiaries (continued)

Name of subsidiary	Principal activity	Registered office and country of incorporation	Proportion of ownership interest and voting rights held
WorldRemit (Somaliland) Ltd.	Money transfer	Nour Hawse Plaza Building, 26 June District Duriya Village, Hargesia Somaliland	100%
WorldRemit Service Company Limited	Business Services	3 More London Riverside, London, SE1 2RE United Kingdom	100%
WorldRemit Money Transfer (Uganda) Ltd.	Money transfer	3rd Floor, DTB Centre, Plot 17/19 Kampala Road PO Box 7166 Uganda	100%
WorldRemit (Rwanda) Ltd.	Money transfer	35 Blue Star House, KG 7th Avenue, PO Box 6571, Kacyiru, Kigali, Gasabo, Rwanda	100%
WorldRemit Money Transfer (Kenya) Ltd.	Money transfer	Vienna Court, State House Crescent Road Kenya	100%
WorldRemit (Zimbabwe) (Private) Ltd.	Money transfer	6th Floor, Goldbridge, Eastgate, Sam Nujoma Street, P.O. BOX 10400, Harare Zimbabwe	100%
WorldRemit (Tanzania) Ltd.	Money transfer	2nd Floor, The Luminary, Cnr Haile Selassie and Chloe Roads, Msasani, Dar es Salaam, 14111 Tanzania	100%
WorldRemit Belgium S.A.	Money transfer	8, Place Marcel Broodthaers, Saint-Gilles, Brussels, 1060 Belgium	100%
WorldRemit West Inc	Money transfer	2, Suite 700, Bloor Street West, Toronto, ON, M4W 3E2 Canada	100%
WorldRemit Central Inc	Money transfer	2, Suite 700, Bloor Street West, Toronto, ON, M4W 3E2 Canada	100%
WorldRemit Digital Services Corp.	Money transfer	406 Keppel Center, Cardinal Rosales Av., cor. Samar Loop, Cebu Business Park, Luz, Cebu City, 6000 Philippines	100%
Chime Inc.	Money transfer	850, 201, New Burton Road, Dover, Kent, DE, 19004 United States	100%

4. Investments in subsidiaries (continued)

Name of subsidiary	Principal activity	Registered office and country of incorporation	Proportion of ownership interest and voting rights held
Sendwave Canada Inc.	Money transfer	510, 1800, West Georgia Street, Vancouver, BC, V6B 0M3 Canada	100%
Sendwave SA	Money transfer	8, Marcel Broodthaersplein, Sint-Gillis (Brussels), 1060 Belgium	100%
Wave Transfer Limited	Money transfer	3 More London Riverside, London, SE1 2RE United Kingdom	100%
Wave Transfer Limited (Liberia)	Money transfer	3rd Floor, Blue Plaza Building, Upper Benson Street, Monrovia, Montserrado Liberia	100%
Wave Transfer Limited (Ghana)	Money transfer	11 Volta Street, PO Box CT 1179, Airport Residential Area, Accra, Greater Accra Ghana	100%
WaveHigh IT Technology Limited	Money transfer	1 Nasarawa Street, War College Estate, Gwarimpa, Abuja, 900108 Nigeria	100%
Sendwave Limited (Kenya)	Money Transfer	View Park Towers, Utalii Lane, Nairobi Kenya	100%

[1] Denotes directly held subsidiary. The other subsidiaries of the Group are indirectly held.

All subsidiary undertakings have been included in the consolidated financial statements. In addition to the subsidiaries above, the Company has a branch registered in Ethiopia, Costa Rica and Japan, while WorldRemit Service Company Ltd. has branches registered in the Philippines and Poland.

5. Other receivables

Million US dollar	**31 December 2021**	31 December 2020
Intercompany trade receivables	**188.4**	0.2
Intercompany loan receivable	**0.8**	-
Loans to employees	**7.8**	4.4
Total	**197.0**	4.6

Amounts due from Group companies are unsecured, interest free and are repayable on demand.

6. Trade and other payables

Million US dollar	**31 December 2021**	31 December 2020 Restated[1]
Growth shares repurchase obligation	**8.1**	6.9
Income tax liability	**-**	0.1
Total	**8.1**	7.0

[1] As restated, refer to note 12.

7. Derivative financial instruments

Refer to note 4 in the consolidated financial statements for information on the warrants.

8. Convertible loans

Refer to note 19 in the consolidated financial statements for information on the convertible loans.

9. Share capital and share premium

All holders of Ordinary Shares are entitled to full voting rights, full dividend rights, and no rights of redemption. Ordinary Shares are fully paid.

Share premium comprises amounts received/receivable above the nominal value of the Ordinary Shares.

Million US dollar (except number of shares)	Number of shares (millions)	Share capital	Share premium	Total
At 11 October 2019	-	-	-	-
Share for share exchange	40.5	-	-	-
Issued during the period	1.7	-	4.1	4.1
Ordinary shares - exercise of employee stock options	0.1	-	0.2	0.2
Balance at 31 December 2020	**42.3**	**-**	**4.3**	**4.3**
Issued during the year	2.7	-	259.0	259.0
Ordinary shares - exercise of employee stock options	0.1	-	0.1	0.1
Stock consideration in relation to Sendwave acquisition	4.5	-	130.1	130.1
Convertible loans conversion	0.2	-	0.2	0.2
Balance at 31 December 2021	**49.8**	**-**	**393.7**	**393.7**

10. Other reserves

Million US dollar	**Share-based payment reserve**	**Foreign exchange translation**	**Own shares reserve**	**Merger reserve**	**Total**
At 11 October 2019	**-**	**-**	**-**	**-**	**-**
Foreign currency translation	-	0.2	-	-	0.2
Share-based payment awards	4.4	-	-	-	4.4
Share for share exchanges in Group restructuring	-	-	-	103.0	103.0
Balance at 31 December 2020, as previously reported	**4.4**	**0.2**	**-**	**103.0**	**107.6**
Own shares acquired for employee benefit trust - adjustment	-	-	(6.9)	-	(6.9)
Balance at 31 December 2020, as restated [1]	**4.4**	**0.2**	**(6.9)**	**103.0**	**100.7**
Foreign currency translation	-	-	-	-	-
Share-based payment awards	9.1	-	-	-	9.1
Converted options in relation to Chime Inc. acquisition	1.2	-	-	-	1.2
Own shares acquired for employee benefit trust	-	-	(1.1)	-	(1.1)
Balance at 31 December 2021	**14.7**	**0.2**	**(8.0)**	**103.0**	**109.9**

[1] As restated, refer to note 12.

On 29 May 2020, as part of the Group restructuring, WorldRemit Group Limited entered in a share for share exchange agreement with WorldRemit LTD. in which WorldRemit Group Limited issued shares to the shareholders of WorldRemit LTD. in the same number and classes of shares as previously held in the Company (including warrants). The transaction was completed under section 612 of the Companies Act 2006 meaning that a merger reserve, rather than share premium, is recognised in the Company statement of financial position. The merger reserve is the difference between the net assets of WorldRemit LTD. and the nominal value of the shares issued as at the date of the transaction and the novation of the convertible loan agreement with MLC.

11. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 101 ‘Reduced Disclosure Framework’ to not disclose related party transactions with wholly owned fellow Group companies.

12. Prior year adjustments

The following table sets forth the total impact of prior year restatements in the Company statement of financial position for the year ended 31 December 2020:

Million US dollar	**As previously presented**	**Recognition of financial liabiliy**	**As restated**
Non-current assets	111.6	-	**111.6**
Current assets	4.6	-	**4.6**
Total assets	116.2	-	**116.2**
Equity			
Share capital and share premium	4.3	-	**4.3**
Other reserves	107.6	(6.9)	**100.7**
Accumulated losses	(0.8)	-	**(0.8)**
	111.1	(6.9)	**104.2**
Non-current liabilities	4.8	-	**4.8**
Current liabilities			
Convertible loans	0.2	-	**0.2**
Trade and other payables	0.1	6.9	**7.0**
	0.3	6.9	**7.2**
Total equity and liabilities	116.2	-	**116.2**

As described in the note 32 of the consolidated financial statements, A financial liability of $6.9m was recognised in the Company statement of financial position on 31 December 2020 with a corresponding impact on the own shares reserve in the Company statement of changes in equity. This adjustment was made to reflect the recognition of a constructive obligation in relation to Growth Shares repurchased from leavers.

13. Non adjusting events after the financial period

Nothing to note.