WorldRemit Group Limited

Annual Report and Financial Statements
Financial Year ended 31 December 2020

Company Registration Number: 12257809

WORLDREMIT GROUP LIMITED

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WORLDREMIT GROUP LIMITED

Company Information

Chairman	Ismail Ahmed
Chief Executive Officer	Breon Corcoran
Directors	Jonathan Addis (appointed: 29 May 2020) Ismail Ahmed (appointed: 29 May 2020) Breon Corcoran (appointed: 11 October 2019) Richard Davies (appointed: 5 February 2021) John Doran (appointed: 29 May 2020) Stewart Langdon (appointed: 29 May 2020) John Locke (appointed: 29 May 2020) Hendrik Nelis (appointed: 29 May 2020) Paul Vogel (appointed: 21 January 2021) Melissa Birge (appointed: 20 May 2021) Neo Dongwana (appointed: 6 October 2021)
Company Secretary	Martin Cook (appointed: 24 April 2020, resigned: 6 October 2020) Amber Tighe (appointed: 6 October 2020, resigned: 5 May 2021) Omolara Oyesanya (appointed: 9 August 2021)
Registration Number	12257809
Registered Office	62 Buckingham Gate London SW1E 6AJ
Independent Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

WORLDREMIT GROUP LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present their Strategic Report for the period ended 31 December 2020.

REVIEW OF THE BUSINESS

The directors present their Strategic Report for WorldRemit Group Limited (the "Company") and its subsidiaries (together the "Group" or "WorldRemit"). The Group previously presented the financial statements in Pounds sterling but has adopted to present these in US dollars for the period ended 31 December 2020 (and prior year comparatives).

The ultimate parent company as at 31 December 2020, is WorldRemit Group Limited which was incorporated on 11 October 2019. Due to a corporate restructuring that took place between 29 May 2020 and 2 June 2020 (the "Restructuring"), the shareholders who previously held shares in WorldRemit LTD. ("WRUK"), the previous parent company of the Group, now hold equivalent shares, in the same proportions, in the Company. Therefore, neither the identity of the ultimate beneficial owners of the Group, nor the proportions in which they hold their interests in the Group changed as a result of the Restructuring. The underlying operations and activities of the Group also remain unchanged by the Restructuring.

The consolidated results of the Group are presented for the twelve-month period ended 31 December 2020 (including prior year comparatives) 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 ("WRUS") 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.

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 2020 with $102.5m (2019: $139.7m) of total equity and $45.0m (2019: $109.1m) of cash and cash equivalents.

On 20 August 2021, the Group completed its Series E funding round and raised $292.0m. 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 2,658,832 Series E Shares for a total of $267.0m and also issued warrants over 7,648 Series E Shares to BlackRock and Hercules at an exercise price of $100.41 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 many-to-many 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.

By integrating our platform and infrastructure with our partners, we are able to 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 50 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. Our operating entities in the UK are currently authorised and regulated by the Financial Conduct Authority ("FCA") as Electronic Money Institutions ("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. The Group's subsidiaries in Belgium are currently authorised by the National Bank of Belgium as payment service providers, 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, Sri Lanka, Bangladesh, the Philippines, Lebanon and Malaysia, in Africa, including in South Africa, Somaliland, Uganda, Kenya, Tanzania, Ghana, Nigeria, Senegal, Liberia, Cameroon and Côte d'Ivoire, and Central America, including Haiti.

KEY PERFORMANCE INDICATORS AND FUTURE DEVELOPMENTS

The Group has delivered strong growth since its inception. During 2020, the Group continued to deliver revenue growth in line with forecasts despite the continued and unprecedented Covid-19 pandemic which highlights both the strength of our business model and the resilience of the remittance industry. 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. Our key performance indicators ("KPIs") and non-IFRS measures, include Transactions, Revenue and Adjusted EBITDA, continue to trend positively into 2020.

KPIs	31 December 2020	31 December 2019 [1]
Transactions (million) [2]	26.7	18.0
Revenue ($m)	238.0	155.8
Adjusted EBITDA ($m) [3]	(25.9)	(26.9)
Number of employees	1,066	833

[1] As restated, refer to note 32.

[2] Transactions means the total number of settled transactions facilitated through our platform in a given period.

[3] 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.

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.

KEY PERFORMANCE INDICATORS AND FUTURE DEVELOPMENTS (CONTINUED)

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.

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 2020**	**31 December 2019** [1]
Loss for the year attributable to equity shareholders	**(55.0)**	**(60.7)**
Adjusted for:		
Income tax expense	0.4	-
Finance income	(0.3)	(0.1)
Finance cost	1.9	11.4
Share-based payments	7.3	13.2
Depreciation and amortisation	12.3	9.5
Fair value movement on derivatives	1.3	(0.2)
Transaction related costs	6.2	-
Adjusted EBITDA	**(25.9)**	**(26.9)**

[1] As restated, refer to note 32.

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 53% was supported by the increase in transactions in 2020.

KEY PERFORMANCE INDICATORS AND FUTURE DEVELOPMENTS (CONTINUED)

The loss attributable to equity shareholders for the year ended 31 December 2020 decreased by $5.7m to $55.0m (2019: $60.7m loss).

The adjusted EBITDA for 2020 was $25.9m loss (2019: $26.9m loss).

The Board considers the Group to be well positioned both financially and operationally for continued growth into 2021. The acquisition and subsequent successful integration of the Sendwave business 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.

We plan to continue operating both the WorldRemit and Sendwave brands independently for one year after the Sendwave acquisition closes but expect to realise modest synergies during this period 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 will 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 customer confidence in our brands, business or in money transfer and payment service providers generally deteriorates, our business, financial condition or results of operations could be adversely affected.

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.

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.

Customer acquisition risk: 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.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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.

If the level of usage by our existing customers declines or does not continue as expected, we may suffer a decline in revenue. A decrease in the level of usage by our existing customers would harm our business, financial conditions or results of operations.

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 mature our processes and systems to provide competitive, accurate and fair pricing for our customers.

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 as a money services business ("MSB") registered with the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") and licensed as a money transmitter (or its equivalent) in 51 states and territories; (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, guidance and regulatory and judicial interpretations thereof that vary from jurisdiction to jurisdiction.

Compliance risk: 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.

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.

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 50 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.

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.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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.

Information Security and Cyber: 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.

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.

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.

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.

Pandemic risk: If as a result of the Covid-19 pandemic, the global economic downturn continues or worsens, government restrictions to reduce the spread of the 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. It is possible that our systems and controls are less effective as a result of our compliance and risk teams and other staff not being able to work from our offices. Failure to maintain adequate systems and controls may expose us to operational and regulatory risk.

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.

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.

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. Additionally, 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.

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.

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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.

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.

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.

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 stakeholder groups:

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2020?
'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.	Throughout 2020, WorldRemit conducted significant user research and customer engagement activities including interviews, surveys and questionnaires, Trustpilot review analysis and user experience analysis. In response to Covid-19, a two-part research initiative was deployed to understand new users that were using the app for the first time, as their access to traditional remittance activities was limited. From this engagement, monthly 'Know Your Customer' videos were disseminated across the business to ensure that all WorldRemit employees could see first-hand the impact our work has for families across the world.	In 2020, WorldRemit provided an invaluable lifeline to customers who needed to send money to friends and family back home, but were suddenly unable to access traditional remittance methods due to imposed local or national lockdowns. As a digital player, WorldRemit provided customers with the online platform to remit money and provide that certainty and support to their family and friends. We listened to our customers and addressed the concern around the lack of transparency for the recipients of money transfer. The deployment of the Transfer Tracker App, which allows recipients to track their incoming transfer was a key deliverable to enable transparency for our recipients across the world. This demonstrates our commitment to delivering value to both our send and receive customers. In December 2020, the Central Bank of Nigeria (CBN) mandated that all remittances needed to be received in Nigeria in US dollars (USD) rather than Nigerian Naira (NGN). This was a significant change for our customers, especially coming so close to Christmas, when so many wanted to send money to friends and family back home. WorldRemit acted quickly to support our customers and we were the first cross-border payments company in the world to enable USD in Nigeria for cash pick up from all our send countries globally. These examples highlight how much we understand our local markets and the strength of the networks in place to effectively support customers, even during periods of turbulent change.

Statement on Corporate and Stakeholder Engagement ("s.172(1) Statement") (continued)

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2020?
'For our people' WorldRemit employs 1,066 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 • Diversity and inclusiveness	We conduct an annual employment engagement survey to obtain insights into employee behaviours and satisfaction globally. In 2020, as a direct result of Covid-19 and the sudden introduction of remote working for the majority of our employees, additional touch-point questionnaires and townhall meetings were introduced to mitigate against the changing work environment and global uncertainty. Annual performance management is conducted for all our people and includes the alignment of business and individual objectives against key performance indicators and company values. Mid-year and annual review sessions, based on 360 feedback are important touch points for our people.	In recognition of the achievements and dedicated commitment of our people during Covid-19, 'recharge days' were introduced to reward our people with additional time out of the office, and to reiterate the importance of wellbeing and work-life balance. WorldRemit heard from our people that wellbeing and work-life balance was a key challenge during 2020, particularly as a result of working remotely. In response, WorldRemit provided an improved Employee Assistance Programme for our people and their immediate family. The confidential support included counselling, practical guidance and support on legal, family, financial and work matters, as well as online health and wellbeing resources. WorldRemit was founded on the principles of diversity, inclusion and equality and we have a diverse customer base and global team. In June 2020, three employee-led groups focused on how WorldRemit celebrates diversity, supports external engagement and continues to be a diverse and inclusive employer of choice. The Board acknowledges that there is always more to be done on diversity, and it has committed to lead the way by looking at the composition of its membership throughout 2021, seeking to focus on diversity and inclusiveness, both in terms of equality characteristics and appropriate skillsets.

Statement on Corporate and Stakeholder Engagement ("s.172(1) Statement") (continued)

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2020?
'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	WorldRemit is committed to engaging proactively with shareholders, especially during major transactions, such as the Restructuring or Series E funding round. Contact between the Board and major stakeholder groups is maintained through observers and investor-appointed members, who attend board meetings and contribute to the strategic decision-making of the Company, as well as ad hoc contact to discuss strategic projects and transactions with the broader shareholder base. Investor reporting to our large venture capital shareholders forms part of our transparency and commitment to deliver value to our shareholders, and is completed at regular cycles throughout the year.	In August 2020, WorldRemit entered into an agreement to acquire Sendwave, 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. Following regulatory approval, the acquisition was completed on 12 February 2021. It was agreed that the acquisition would provide significant value to our shareholders with regards to market share and growth in revenue. While the brands will be run separately, customers will benefit from the brand and market reputation that will allow WorldRemit to negotiate better rates for our customers and pass on those cost savings.
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 • Empowerment	WorldRemit is committed to delivering value to our local communities through creating opportunities to empower and support education, and to drive entrepreneurship for senders and receivers. We bring to life our brand DNA of "creating opportunities" by empowering communities we serve in send and receive markets. Engagement is driven through a combination of competitions and promotions, entrepreneurial opportunities and education.	WorldRemit actively supports communities and in 2020 we worked on various initiatives: • In the Philippines, we provided 150 tablet devices to customers during the back-to-school season to help children to get online as teaching was delivered digitally in response to Covid-19 • We sponsored Project Hope to support Zimbabwean artists in the UK via virtual concerts in direct response to Covid-19 • In Nigeria, Ghana, Kenya and Zimbabwe we provided entrepreneur training and a business booster pack in coordination with the Nest, an African entrepreneur hub.

Statement on Corporate and Stakeholder Engagement ("s.172(1) Statement") (continued)

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2020?
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: • leveraging our send footprint to receive funds from the send countries we hold licences for • revenue from the commission they receive per successfully completed transaction	WorldRemit is looking to grow its pay-out partner network and to improve performance in existing territories so that it can better serve its customers and grow revenue. Each of our pay-out partners is subject to an extensive due diligence process to ensure compliance with appropriate regulatory guidelines, including anti-money laundering and counter-terrorist financing laws.	When lockdowns started in March 2020 due to Covid-19, many of our receive countries and customers' recipients were impacted. One of the ways that recipients collect funds is by visiting a pay-out location and collecting the funds as cash. Due to local lockdowns, many cash pick-up locations were not allowed to open and so our customers were not able to send money to their recipients via this pay-out method. We worked with our pay-out partners to: • quickly enable additional digital services so that we could continue to offer alternative services to our customers; and • ensure we kept our customers informed when cash pick-up locations were closed. In Zimbabwe, which is a 90% cash market, we supported our pay-partners to lobby the Central Bank to consider remittances as an essential service and to allow bank and cash pick-up locations to open for limited hours to pay out remittances. The USD-NGN pay-out conversion mandated by the Central bank of Nigeria in December 2020 also saw us work very closely with our pay-out partners in that country to ensure customers could receive funds quickly and with limited interruption to normal services in spite of this regulatory change.

Statement on Corporate and Stakeholder Engagement ("s.172(1) Statement") (continued)

Who are our stakeholders?	What are their key concerns?	How does WorldRemit engage with these stakeholders?	What happened in 2020?
Regulators As a provider of a financial service, WorldRemit maintains applicable registrations and licences 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 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.	WorldRemit has overhauled its existing risk policy in line with company growth to ensure that risk is recorded, managed and mitigated appropriately. This resulted in the implementation of a new Enterprise Risk Management Framework and the establishment of new working groups and committees to effectively oversee and manage company risk on a global scale. Throughout 2020, we continued the global expansion of our compliance and regulatory functions, with a 90+ strong team to ensure appropriate adherence to regulations applicable to our business. WorldRemit responds swiftly to changing mandates issued by relevant regulators. As previously mentioned, WorldRemit was the first cross-border payments company to implement a solution in response to the Central Bank of Nigeria's amended rules regarding remittance inflows denominated in USD. Both the acquisition of Sendwave and the Restructuring in 2020 involved close contact with regulators around the world to obtain competition clearance and regulatory approvals for the proposed transactions. With the support of external advisors, the Company was granted applications to permit a change of control so as to improve overall value for its stakeholders. During 2020, we undertook a review of our Brexit operational readiness to ensure that our customers in the UK and the European Union (the "EU") would not face disruption after the UK's withdrawal from the EU became effective and transitional arrangements ceased. This review looked, amongst other things, at licensing and outsourcing arrangements between WorldRemit Ltd. and WorldRemit Belgium S.A.

Streamlined Energy and Carbon Reporting ("SECR") Statement

Introduction

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

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 – 2020'. 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 period 1st January to 31st December 2020.

Table – Energy Consumption and Emissions 2020	
On-site combustion (kWh)	121,999
Electricity (kWh)	216,022
Transport (kWh)	89
Total Energy (kWh)	338,110
Scope 1 Emissions (tCO_2e)	22.4
Scope 2 Emissions (tCO_2e)	50.4
Scope 3 Emissions (tCO_2e)	0.02
Total Emissions (tCO_2e)	**72.8**
Emissions Intensity (tCO_2e/\$m revenue)	**0.30**

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 the Group's annual revenue in $m. The resultant emissions intensity is 0.30tCO_2e/\$m revenue.

Energy Efficiency Action

During 2020 we have reduced our energy consumption significantly, 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 for certain periods. Energy consumption associated with business travel has also been minimised, with the majority of meetings being undertaken via webinar.

Approved by the Board of Directors on 18 November 2021 and signed on its behalf by:

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Breon Corcoran

Chief Executive Officer

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2020.

The Group's results for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019, 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).

As a consequence of the Restructuring, 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 between 11 October 2019 to 31 December 2020. The consolidated 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.

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 this report.

RESEARCH AND DEVELOPMENT

The Group will continue to invest in financial software development and innovation in its products. During the year, the Group capitalised \$6.7m (2019: \$4.8m) of software development costs which were all internally generated and expensed a total of \$5.3m (2019: \$5.8m).

EMPLOYEES

The Group attaches importance to good communications and relations with employees. On a frequent basis, meetings are actively held between the teams to maintain the clarity on the communications and to keep the employees informed about the new developments and financial performance of the Group.

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 charitable donations for the year ended 31 December 2020 (2019: \$0.1m).

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 adopted the going concern basis in preparing these financial statements, after assessing the Group's principal risks, which assumes the Group will be able to meet its liabilities when they fall due.

When assessing the ability of the Group to continue as a going concern, the directors have considered the Group's current and future financing arrangements, the history of recurring losses from operations, the forecast trading performance and any significant cash commitments for a period of at least 12 months from the approval of these financial statements. At 31 December 2020, the Group had cash and cash equivalents of $45.0m (which excludes a further $14.2m of restricted cash). On 20 August 2021, the Group completed its Series E funding round and raised $292.0m. The round includes new equity investors, including Farallon Capital, as well as backing from existing investors LeapFrog Investments, TCV and Accel Partners. This funding round was used partly to settle deferred consideration associated with the acquisition of Sendwave, to support working capital requirements and fuel business growth. At 30 September 2021 unrestricted cash was $142.4m.

In undertaking the going concern review, the directors have considered the trading performance and funding position under a range of scenarios prepared by management, including a base case forecast (used as part of the Series E funding round in August 2021) and also a reasonable worst case ("RWC") scenario, reflecting a trading downside with corresponding mitigating management actions.

Management have prepared the Group's base case forecast, which reflects current trading expectations and execution of the business plan including an equity raise. The revenue growth rate assumed for 2021-22 is below the growth rates achieved historically, being 50%, 43% and 49% in 2018, 2019 and 2020 respectively for the Group. Based on these forecasted projections, which management believe to be achievable given the proven track record, the Group is forecasted to have significant headroom on all debt covenants and available cash to continue as a going concern.

The RWC scenario reflects a severe but plausible scenario which assumes the planned equity raise does not occur and also restricts revenue growth in 2022 and 2023 to the lowest quarterly growth of send volume achieved between Q1 2019 and Q2 2021. In addition, the RWC models the removal of all uncommitted working capital facilities (most notably with Silicon Valley Bank) and the associated mitigating actions required (including a reduction in discretionary spending) to ensure sufficient free cash and covenant compliance.

In this scenario, straightforward and achievable mitigating actions would need to be taken by management to ensure short-term working capital requirements are met with no impact on covenants and minimal long-term impact on business operations and growth.

EVENTS AFTER THE REPORTING PERIOD

Acquisition of Chime Inc. ("Sendwave")

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 Sendwave 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. See note 33 for further details.

Financing

The Group had a revolving credit facility with Silicon Valley Bank of $35.0m as at 31 December 2019, which has been in place since 2015. This facility was increased to $50.0m during 2020 and further to $70.0m for a one-month period only at the end of December 2020. This facility was renewed in January 2021 and is contracted until February 2022.

The Group funded the Sendwave acquisition through a private debt placement of $225.0m in February 2021, with repayment in four years 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 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.

Series E funding round

On 20 August 2021, the Group completed its Series E funding round and raised $292.0m. 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 2,658,832 Series E Shares for a total of $267.0m and also issued warrants over 7,648 Series E Shares to BlackRock and Hercules at an exercise price of $100.41 per Series E Share.

DIVIDENDS

The directors do not propose the payment of a dividend (2019: $nil).

DIRECTORS

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

Jonathan Addis (appointed: 29 May 2020)
Ismail Ahmed (appointed: 29 May 2020)
Catherine Wines (appointed: 29 May 2020, resigned: 14 November 2020)
Breon Corcoran (appointed: 11 October 2019)
Richard Davies (appointed: 5 February 2021)
John Doran (appointed: 29 May 2020)
Stewart Langdon (appointed: 29 May 2020)
John Locke (appointed: 29 May 2020)
Hendrik Nelis (appointed: 29 May 2020)
Paul Vogel (appointed: 21 January 2021)
Melissa Birge (appointed: 20 May 2021)
Neo Dongwana (appointed: 6 October 2021)

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.

The Companies Act 2006 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 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.

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 18 November 2021 and signed on its behalf by:

....

Breon Corcoran
Chief Executive Officer

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 2020 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 international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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 Statements of Financial Position as at 31 December 2020; Consolidated Statement of Profit and Loss, Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Changes in Equity, 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.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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

Reporting on other information

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

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

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

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

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2020 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 UK tax legislation, anti-money laundering, electronic money regulations, payment service directive, uniform money services act, payment services act, anti-money laundering and counter-terrorist financing ordinance, competition act, US states legislation, employment law, data privacy laws and other similar local regulations, 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. Audit procedures performed by the engagement team included:

- Challenging management on its critical accounting estimates and judgements identified in the current year
- Identifying and testing journal entries to address the risk of inappropriate journals referred to above, in particular journal entries posted to revenue and with unusual account combinations
- Considering remuneration incentive schemes and performance targets for management remuneration
- Reviewing the financial statement disclosures and agreeing them to underlying supporting documentation
- Evaluated and assessed the risk of related party transactions to identify any unusual transactions entered during the year

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.

Nigel Reynolds (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 November 2021

WORLDREMIT GROUP LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Million US dollar	Note	31 December 2020	31 December 2019 [1]
Revenue	7	238.0	155.8
Cost of revenue	8	(80.8)	(58.3)
Gross profit		**157.2**	**97.5**
Administrative expenses	8	(208.9)	(147.1)
Fair value (loss) / gain on derivatives	4, 5	(1.3)	0.2
Operating loss		**(53.0)**	**(49.4)**
Finance income	10	0.3	0.1
Finance cost	10	(1.9)	(11.4)
Loss before income tax		**(54.6)**	**(60.7)**
Income tax expense	13	(0.4)	-
Loss for the year attributable to equity shareholders		**(55.0)**	**(60.7)**

[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 COMPREHENSIVE INCOME

Million US dollar	Note	31 December 2020	31 December 2019 [1]
Loss for the year attributable to equity shareholders		**(55.0)**	**(60.7)**
Other comprehensive income, items that may be reclassified to the statement of profit and loss:			
Foreign currency translation adjustments	24	3.0	4.1
Total comprehensive loss attributable to equity shareholders		**(52.0)**	**(56.6)**

[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 FINANCIAL POSITION

Million US dollar	Note	31 December 2020	31 December 2019 [1]	1 January 2019 [1]
Non-current assets				
Property, plant and equipment	15	4.8	5.7	5.6
Right-of-use assets	16	9.1	11.1	11.1
Intangible assets	14	11.1	9.3	8.3
Deferred tax assets	13	1.6	0.2	0.1
Long-term deposits	4	2.1	1.9	1.8
Restricted cash	30	2.3	2.1	-
Total non-current assets		**31.0**	**30.3**	**26.9**
Current assets				
Other receivables	18	155.5	100.9	56.7
Loan receivable	19	15.0	-	-
Restricted cash	30	11.9	6.5	4.5
Cash and cash equivalents	4	45.0	109.1	32.2
Total current assets		**227.4**	**216.5**	**93.4**
Total assets		**258.4**	**246.8**	**120.3**
Equity				
Share capital and share premium	23	345.7	337.0	157.2
Other reserves	24	27.6	18.5	2.7
Accumulated losses		(270.8)	(215.8)	(155.1)
Equity attributable to owners of the group		**102.5**	**139.7**	**4.8**
Non-current liabilities				
Lease liabilities	16	9.8	12.1	12.4
Convertible loans	22	-	0.2	2.1
Derivative financial instruments	4	4.8	2.3	2.6
Provisions	26	0.5	2.6	0.3
Long-term borrowings		-	-	18.3
Total non-current liabilities		**15.1**	**17.2**	**35.7**
Current liabilities				
Lease liabilities	16	2.8	2.4	2.1
Convertible loans	22	0.2	-	-
Short-term borrowings	21	70.3	35.1	53.0
Derivative financial instruments	4	-	0.3	-
Trade and other payables	20	67.5	52.1	24.7
Total current liabilities		**140.8**	**89.9**	**79.8**
Total equity and liabilities		**258.4**	**246.8**	**120.3**

[1] As restated, refer to note 32.

The financial statements on pages 23 to 72 were approved by the Board of Directors on 18 November 2021 and signed on its behalf by:

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Breon Corcoran

Chief Executive Officer

WORLDREMIT GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

Million US dollar	**Note**	**31 December 2020**
Non-current assets		
Investment in subsidiaries	17	111.6
Total non-current assets		**111.6**
Current assets		
Other receivables	18	4.6
Total current assets		**4.6**
Total assets		**116.2**
Equity		
Share capital and share premium	23	4.3
Other reserves	24	107.6
Accumulated losses		(0.8)
Equity attributable to owners of the company		**111.1**
Non-current liabilities		
Derivative financial instruments	4	4.8
		4.8
Current liabilities		
Convertible loans	22	0.2
Trade and other payables	20	0.1
Total current liabilities		**0.3**
Total equity and liabilities		**116.2**

As permitted by Section 408 of the Companies Act 2006, a separate profit or loss account of the parent Company has not been presented. The parent Company's loss for the period between 11 October 2019 and 31 December 2020 was $0.8m.

The financial statements on pages 23 to 72 were approved by the Board of Directors on 18 November 2021 and signed on its behalf by:

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Breon Corcoran

Chief Executive Officer

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 2019 [1]		**157.2**	**2.7**	**(155.7)**	**4.2**
Effect of prior year adjustments [2]		-	-	0.6	0.6
Balance at 1 January 2019 [3]		**157.2**	**2.7**	**(155.1)**	**4.8**
Loss for the year		-	-	(60.7)	(60.7)
Foreign currency translation	24	-	4.1	-	4.1
Total comprehensive income for the year		-	**4.1**	**(60.7)**	**(56.6)**
Equity conversion reserve release		-	(0.8)	-	(0.8)
Share-based payments awards	25	-	12.5	-	12.5
Shares issued	23	179.8	-	-	179.8
Balance at 31 December 2019 [3]		**337.0**	**18.5**	**(215.8)**	**139.7**
Loss for the year		-	-	(55.0)	(55.0)
Foreign currency translation	24	-	3.0	-	3.0
Total comprehensive income for the year		-	**3.0**	**(55.0)**	**(52.0)**
Share-based payments awards	25	-	7.3	-	7.3
Conversion of cash-settled awards into growth shares	25	-	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		**345.7**	**27.6**	**(270.8)**	**102.5**

[1] As restated to represent the change in the presentation currency of the Group, refer to note 32.

[2] Refer to note 32 for further details on the prior year adjustments.

[3] As restated to represent the change in presentation currency of the Group and the effect of prior year adjustments. Refer to note 32.

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

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	24	-	0.2	-	0.2
Total comprehensive income for the period		-	**0.2**	**(0.8)**	**(0.6)**
Share-based payments awards	25	-	4.4	-	4.4
Shares issued	23	4.3	-	-	4.3
Share for share exchanges in Group restructuring	24	-	103.0	-	103.0
Balance at 31 December 2020		**4.3**	**107.6**	**(0.8)**	**111.1**

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

WORLDREMIT GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Million US dollar	**Note**	**31 December 2020**	**31 December 2019 [1]**
Operating activities			
Loss before income tax		**(54.6)**	**(60.7)**
Adjustments:			
Depreciation and amortisation	8	12.3	9.5
Share-based payments	25	7.3	13.2
Finance income	10	(0.3)	(0.1)
Finance cost	10	1.9	11.4
Fair value movement on derivatives		1.3	(0.2)
Net foreign exchange differences		-	0.8
Net (decrease)/increase in provisions	26	(2.1)	2.3
Increase in other receivables		(44.8)	(43.8)
Increase in trade and other payables		14.9	24.5
Increase in restricted cash		(5.6)	(4.0)
Interest paid		(1.6)	(8.3)
Income tax paid		(0.3)	(1.5)
Net cash used in operating activities		**(71.6)**	**(56.9)**
Investing activities			
Payments for property, plant and equipment	15	(1.3)	(1.8)
Payments for intangible assets	14	(8.9)	(6.2)
Loan to Sendwave	19	(15.0)	-
Finance income received		0.2	0.1
Net cash used in investing activities		**(25.0)**	**(7.9)**
Financing activities			
Proceeds from borrowings	27	35.0	-
Repayments of borrowings	27	-	(35.0)
Proceeds from issuance of debt	27	-	75.0
Proceeds from issuance of equity	23	0.2	100.7
Principal elements of lease repayments	27	(2.5)	(2.0)
Net cash generated from financing activities		**32.7**	**138.7**
Net cash (outflow) / inflow in operating, investing and financing activities		**(63.9)**	**73.9**
Effects of exchange rate changes		(0.2)	3.0
Net (decrease) / increase in cash and cash equivalents		**(64.1)**	**76.9**
Cash and cash equivalents at beginning of period		**109.1**	**32.2**
Cash and cash equivalents at end of period		**45.0**	**109.1**

[1] As restated, refer to note 32.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

WorldRemit Group Limited ("the Group") is a 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 62 Buckingham Gate, London, SW1E 6AJ. The Company's registration number is 12257809. The consolidated financial statements of the Company for the year ended 31 December 2020 comprise the company and its subsidiaries (together referred to as "WorldRemit" or the "Group").

The ultimate parent company as at 31 December 2020, is WorldRemit Group Limited which was incorporated on 11 October 2019. Due to a corporate restructuring that took place between 29 May 2020 and 2 June 2020, the shareholders who previously held shares in WorldRemit LTD., the previous parent company of the Group, now hold equivalent shares, in the same proportions, in the Company. Therefore, neither the identity of the ultimate beneficial owners of the Group, nor the proportions in which they hold their interests in the Group changed as a result of the Restructuring. The underlying operations and activities of the Group also remain unchanged by this the Restructuring.

The ultimate parent company, a holding company, did not conduct any operations prior to the Restructuring other than activities incidental to its formation and the corporate restructuring. The consolidated financial statements have been prepared as if the Restructuring had been in effect for all periods presented.

2. Summary of significant accounting policies

Basis of preparation
The consolidated financial statements of the Group have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ("IFRS") pursuant to Regulation (EC) No 1606/2002 at it applies in the European Union and IFRS as issued by the International Accounting Standards Board ("IASB"). IFRS as adopted by the EU differs in certain respects from IFRS as issued by the IASB. The differences have no impact on the Group's consolidated financial statements for the years presented. The financial statements are presented in US dollars and have been prepared under the historical cost convention, modified to include the fair valuation of certain financial instruments and share-based payments, to the extent required or permitted under IFRS as set out in the relevant accounting policies. Accounting policies have been applied consistently.

The Group's results for the year ended 31 December 2020, together with the comparative figures for the year ended 31 December 2019, 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).

As a consequence of the 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 between 11 October 2019 to 31 December 2020. The consolidated 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.

The Group previously presented the financial statements in Pounds sterling but decided to present these in US dollars in 2020, which 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 addition, the Group restated its previously issued consolidated financial statements for the year ended 31 December 2019 to reflect various accounting and reclassification adjustments. Refer to note 32 for further details.

2. Summary of significant accounting policies (continued)

Going concern
The directors have adopted the going concern basis in preparing these financial statements, after assessing the Group's principal risks, which assumes the Group will be able to meet its liabilities when they fall due.

When assessing the ability of the Group to continue as a going concern, the directors have considered the Group's current and future financing arrangements, the history of recurring losses from operations, the forecast trading performance and any significant cash commitments for a period of at least 12 months from the approval of these financial statements. At 31 December 2020, the Group had cash and cash equivalents of $45.0m (which excludes a further $14.2m of restricted cash). On 20 August 2021, the Group completed its Series E funding round and raised $292.0m. The round includes new equity investors, including Farallon Capital, as well as backing from existing investors LeapFrog Investments, TCV and Accel Partners. This funding round was used partly to settle deferred consideration associated with the acquisition of Sendwave, to support working capital requirements and fuel business growth. At 30 September 2021 unrestricted cash was $142.4m.

In undertaking the going concern review, the directors have considered the trading performance and funding position under a range of scenarios prepared by management, including a base case forecast (used as part of the Series E funding round in August 2021) and also a reasonable worst case ("RWC") scenario, reflecting a trading downside with corresponding mitigating management actions.

Management have prepared the Group's base case forecast, which reflects current trading expectations and execution of the business plan including an equity raise. The revenue growth rate assumed for 2021-22 is below the growth rates achieved historically, being 50%, 43% and 49% in 2018, 2019 and 2020 respectively for the Group. Based on these forecasted projections, which management believe to be achievable given the proven track record, the Group is forecasted to have significant headroom on all debt covenants and available cash to continue as a going concern.

The RWC scenario reflects a severe but plausible scenario which assumes the planned equity raise does not occur and also restricts revenue growth in 2022 and 2023 to the lowest quarterly growth of send volume achieved between Q1 2019 and Q2 2021. In addition, the RWC models the removal of all uncommitted working capital facilities (most notably with Silicon Valley Bank) and the associated mitigating actions required (including a reduction in discretionary spending) to ensure sufficient free cash and covenant compliance.

In this scenario, straightforward and achievable mitigating actions would need to be taken by management to ensure short-term working capital requirements are met with no impact on covenants and minimal long-term impact on business operations and growth.

New and amended standards issued and effective
The new and amended standards issued and effective for the periods commencing on or after 1 January 2020 did not have a material impact on the Group.

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 2020 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.

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 (see note 1 for further details on the Group restructuring).

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by the Group.

2. Summary of significant accounting policies (continued)

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 Groups' website.

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 2020 and 2019. Contract liabilities consist of deferred revenue, derived from the timing differences 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 2020 and 2019. There were no material pre-contractual costs incurred to obtain a contract with customers for the year ended 31 December 2020 and 2019 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.

Intangible assets
Intangible assets relate to money transfer software and website development, other software 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. All 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)

At each reporting date, the Group reviews its intangible assets to determine whether there are any indicators of impairment. If any such indication exists, 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.

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. Research expenditure and development expenditure that do not meet the criteria above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Property, plant and equipment
Property, plant and equipment is initially recorded 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:

Property, plant and equipment	Estimated useful lives
Office equipment and 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.

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.

2. Summary of significant accounting policies (continued)

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 believe 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.

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 has 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. The Company's functional currency is Pound Sterling but has also adopted the Group's presentation currency for consistency in 2020.

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', for the full year results of 2020 and the full year results of 2019 have been 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.

2. Summary of significant accounting policies (continued)

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 also detailed in the table below:

	31 December 2020		31 December 2019		1 January 2019	
	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
Pound Sterling	1.28365	1.36519	1.27900	1.31858	1.33602	1.27602
Euro	1.14139	1.22264	1.11987	1.12156	1.18118	1.14653
Canadian dollar	0.69062	0.78345	0.69534	0.76823	0.77091	0.73290
Australian dollar	0.65056	0.76988	0.65919	0.70135	0.74760	0.70482
Philippine peso	0.02061	0.02082	0.01931	0.01973	0.01899	0.01903

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.

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.

Convertible loans
Where the convertible loan notes ("CLN") meets the fixed for fixed criteria set forth in IAS 32 'Financial Instruments: Presentation', it is accounted for as a compound financial instrument. The proceeds received from issuance of the CLN are allocated to their liability and equity components and are presented separately in the consolidated statement of financial position, within borrowings and other reserves, respectively. The amount initially attributable to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert into equity. The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited to an equity reserve and is not subsequently remeasured. The liability component is amortised on a cost basis until extinguished on conversion or maturity of the instruments.

Where the CLN does not meet the fixed for fixed criteria set forth in IAS 32, the proceeds received from issuance of the CLN are allocated to the fair value of their embedded derivative components, with the residual value being assigned to the debt host liability component. The derivative and debt host liabilities components are recognised and presented separately in the consolidated statement of financial position, within borrowings and other financial liabilities, respectively. The embedded derivative liability components are recognised at fair value through profit or loss and are subsequently remeasured at fair value at each reporting date, until extinguishment on conversion. The debt host liability is subsequently recognised on an amortised cost basis, until extinguishment on conversion.

2. Summary of significant accounting policies (continued)

Long-term loans with warrants
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 2020. If it is determined that the loan is a compound financial instrument, the fair value of the equity portion is recorded to 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 2020. 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 2020 and 2019. 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.

Foreign exchange forward contracts
Being an international business, the Group also has assets and liabilities denominated in currencies other than its reporting currency which are subject to exchange rate risk. As of 31 December 2020 and 2019, the Group used forward contracts to hedge its currency risk but does not apply hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the consolidated statement of profit or loss and are included in other gains/(losses).

Tax
The tax expense for the period 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.

2. Summary of significant accounting policies (continued)

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 service 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 period 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.

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 or 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.

2. Summary of significant accounting policies (continued)

Employee Benefit Trusts ("EBTs")
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.

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, legal or constructive obligation 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 is due within 12 months. The loan is carried at amortised cost using the effective interest method.

Other receivables
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 directly recognised in profit or loss.

2. Summary of significant accounting policies (continued)

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.

Financial assets

Initial recognition and classification
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.

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.

In order for a financial asset to be classified and measured at amortised cost or fair value through Other Comprehensive Income ("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 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; 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.

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.

2. Summary of significant accounting policies (continued)

Financial liabilities

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 and foreign exchange forward contracts for the years-ended 31 December 2020 and 2019. 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 estimates 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:

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 (i.e. research and development) have suffered any impairment, following a triggering event. This is done in accordance with the accounting policy stated in note 2.

The calculation of the recoverable amount may require the use of estimates including forecasts for discounted cash flows.

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

Share-based payments and warrant

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 (in millions):

Million US dollar	31 December 2020	31 December 2019 [1]
Financial assets at amortised cost		
Deposits	3.9	3.3
Cash advances to pay-out partners	106.9	72.8
Cash due from third party acquirers	30.1	20.0
Loan receivable	15.0	-
Other debtors	8.5	1.4
Restricted cash	14.2	8.6
Cash and cash equivalents	45.0	109.1
	223.6	**215.2**
Financial liabilities at amortised cost		
Trade payables	11.3	9.0
Pay-out liability	15.2	10.6
Provisions	0.5	2.6
Accrual and other payables [2]	39.5	31.9
Short-term borrowings	70.5	35.3
Lease liabilities	12.6	14.5
	149.6	**103.9**
Derivative financial instrument liabilities at fair value through profit and loss (FVTPL)		
Warrants	4.8	2.3
Foreign exchange forward contracts	-	0.3
	4.8	**2.6**

[1] As restated, refer to note 32.

[2] Excludes contract liability and income tax liability.

Deposits include long-term deposits of $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 2020. Deposits of $1.8m (2019: $1.4m) classified as current are expected to be repayable in less than 12 months after 31 December 2020.

There were no transfers between levels 1, 2 or 3 of the fair value hierarchy for recurring fair value measurements during the year. Warrants are classified as Level 3 and foreign exchange forward contracts were classified as Level 2 in the fair value hierarchy.

4. Financial instruments (continued)

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 2020.

Group

Million US dollar (except number of warrants)	Loans Number of warrants (million)	Loans Total	Series C2 Number of warrants (million)	Series C2 Total	Total Number of warrants (million)	Total
As at 1 January 2019	**0.2**	**2.0**	**0.2**	**0.5**	**0.4**	**2.5**
Fair value movement	-	(0.8)	-	0.6	-	(0.2)
As at 31 December 2019	**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**

Company

Million US dollar (except by number of warrants)	Loans Number of warrants (million)	Loans Total	Series C2 Number of warrants (million)	Series C2 Total	Total Number of warrants (million)	Total
As at 11 October 2019	-	-	-	-	-	-
Warrants novation	0.2	1.9	0.2	1.9	0.4	3.8
Fair value movement	-	0.4	-	0.2	-	0.6
Foreign exchange	-	0.2	-	0.2	-	0.4
As at 31 December 2020	**0.2**	**2.5**	**0.2**	**2.3**	**0.4**	**4.8**

During 2020, the warrants were novated from WorldRemit LTD. to WorldRemit Group Limited as part of the Group restructuring (refer to note 24). 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 in the new instruments issued by WorldRemit Group Limited were identical to the terms in the old instruments.

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. 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.

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. Credit ratings for third party payment processors are regularly evaluated and 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.

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

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 2020 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.

5. Financial risk management (continued)

The loss allowance of the Group as at 31 December 2020 and 2019 was determined as follows for cash advances to pay-out partners:

Million US dollar	31 December 2020	31 December 2019 [1]
Expected credit loss rate	1.0%	0.1%
Gross carrying amount	108.0	72.9
Loss allowance	**1.1**	**0.1**

[1] As restated, refer to note 32.

The loss allowance of the Group as at 31 December 2020 and 2019 was determined as follows for cash due from third party acquirers:

Million US dollar	31 December 2020	31 December 2019 [1]
Expected credit loss rate	1.6%	2.0%
Gross carrying amount	30.6	20.4
Loss allowance	**0.5**	**0.4**

[1] As restated, refer to note 32.

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 2020 are as follows (in millions):

Million US dollar	31 December 2020	31 December 2019
A+, A, A-, AA-	52.7	113.6
B-, BBB-	4.1	2.8
No rating	2.4	1.3
Total cash, cash equivalents and restricted cash	**59.2**	**117.7**

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 period end available for use.

The Group had a revolving credit facility with Silicon Valley Bank of $35.0m as of 31 December 2019, which has been in place since 2015. This facility was increased to $50.0m during 2020 and further to $70.0m for a one-month period only at the end of December 2020.

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 as a result of banking failures.

5. Financial risk management (continued)

Subsequent to the reporting period ended 31 December 2020, the Group has entered into a credit facility of $225.0m with BlackRock and Hercules to fund the acquisition of Chime Inc. In addition to that, on 20 August 2021, the Group completed its Series E funding round and raised $292.0m with new equity investors, such as Farallon Capital, and other existing investors, such as Leapfrog Investments, TCV and Accel (refer to note 33).

Maturity analysis

The table below is the Group's financial liabilities, shown as undiscounted cash flows, grouped by contractual maturities at the earliest date on which the Group could be required to pay the liability (in millions).

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 liability	15.2	-	-	15.2
Short-term borrowings	70.3	-	-	70.3
Provisions	-	0.5	-	0.5
Accrual and other payables [2]	39.5	-	-	39.5
Convertible loan	0.2	-	-	0.2
Lease liabilities	2.8	9.8	-	12.6
	139.3	**10.3**	-	**149.6**
Derivatives				
Warrants	-	4.8	-	4.8
	-	**4.8**	-	**4.8**

31 December 2019 [1]

Million US dollar	Within 1 year	Between 1 and 5 years	After more than 5 years	Total
Non-derivatives				
Trade payables	9.0	-	-	9.0
Pay-out liability	10.6	-	-	10.6
Short-term borrowings	35.1	-	-	35.1
Provisions	-	2.1	0.5	2.6
Accrual and other payables [2]	32.4	-	-	32.4
Convertible loan	-	0.2	-	0.2
Lease liabilities	2.4	11.0	1.1	14.5
	89.5	**13.3**	**1.6**	**104.4**
Derivatives				
Foreign exchange forward contracts	0.3	-	-	0.3
Warrants	-	2.3	-	2.3
	0.3	**2.3**	-	**2.6**

[1] As restated, refer to note 32.

[2] Excludes contract liability and income tax liability.

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. In order 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 2020 and 2019 the Group's significant foreign currency positions were the Australian dollar, the Canadian dollar, the Euro, the Pound sterling and the Philippine peso.

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 used forward contracts to hedge its currency risk but does not apply hedge accounting. As of 31 December 2020, the Group had no balances from forward exchange forward contracts recognised in the consolidated statement of financial position (2019: $0.3m). During 2020, the Group recognised a total mark-to-market gain related to forward exchange contracts in the consolidated statement of profit and loss of $0.9m (2019: gain of $0.6m).

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 at the end of the year 31 December 2020 and 2019 is in the table below, expressed in US dollars.

Million US dollar	**31 December 2020**	**31 December 2019** [1]
Cash advances to pay-out partners	76.5	48.1
Cash due from third party acquirers	25.3	18.1
Other debtors	8.5	1.4
Cash, cash equivalents and restricted cash	44.5	95.8
	154.8	**163.4**

[1] As restated, refer to note 32.

As of 31 December 2020 and 2019, with all variables held constant, a 1% strengthening or weakening in the value of the US dollar relative to all other currencies in which our loss for the year is generated would have resulted in a decrease / increase of $0.9m and $1.5m respectively, based on our 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 $3.7m and $1.0m for the year ended 31 December 2020 and 2019 respectively.

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 statements of consolidated statement of profit and loss for the year. The Group currently does not use derivatives to hedge interest rate exposure.

5. Financial risk management (continued)

At 31 December 2020 the Group had $70.0m (2019: $35.0m) of interest-bearing borrowings which were tied to the Wall Street Journal (WSJ) Prime Rate. The current variable rate as at 31 December 2020 was 3.25% (2019: 4.75%). All other variables constant, a change in the WSJ rate of +/- 1%, the net gain/loss for the Group would be impacted by $0.4m (2019: $0.3m).

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 capital structure of the Group consists of debts and equity attributable to equity shareholders in the parent, comprising the following:

- 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 profit or loss for the period attributable to equity holders of the Group by the weighted average numbers of ordinary and preference shares outstanding during the period.

Million US dollar	**31 December 2020**	**31 December 2019 [1]**
Loss for the year attributable to equity shareholders	**(55.0)**	**(60.7)**
Weighted average number of shares outstanding	40,426,221	29,245,936
Basic and diluted loss per share	**(1.36)**	**(2.07)**

[1] As restated, refer to note 32.

No adjustment has been made to the basic loss per share for dilutive shares in the year ended 31 December 2020 or 31 December 2019, 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 segment

The Group's principal activities are providing digital cross-border money transfer services to customers. Operating segments are reported in a manner consistent with the internal reporting of the Group to the Chief Operating Decision Maker ("CODM"), who is responsible for allocating resources and assessing performance of the operating segments. The CODM has been identified as the Board of Directors of the Group. Given the Group is primarily engaged in a single business activity, providing digital cross-border money transfer services, there is one operating segment identified as WorldRemit Group. As there is only one operating segment, the Group has one single reportable segment.

7. Operating segment (continued)

The Board of Directors regularly reviews the consolidated position of the Group at revenue level for the purpose of evaluating business performance and allocating resources, along with the review of consolidated non-financial KPIs including transactions volumes. The Group has no single customer representing 10% or more of the consolidated revenues.

The Group's revenue may vary based on the size of the transaction, the funding method used, the pay-out method used, the currencies and the countries from and to which the funds are transferred. Revenue is shown below disaggregated by send region as transaction fees and foreign exchange margins are exposed to similar factors such as funding methods used, the currency to ultimately be disbursed and the countries from and to which the funds are transferred in these regions.

Million US dollar	31 December 2020	31 December 2019 [1]
Europe, the Middle East and Africa	99.6	73.2
Americas	97.5	52.7
Asia Pacific	40.9	29.9
Total	**238.0**	**155.8**

[1] As restated, refer to note 32.

8. Expense by nature

Million US dollar	31 December 2020	31 December 2019 [1]
Cost of revenue	**80.8**	**58.3**
Administrative expenses		
Depreciation of property, plant and equipment	2.2	1.8
Depreciation of right-of-use asset	2.4	2.2
Amortisation of intangible assets	7.7	5.5
Utilities and other office costs	2.4	2.9
Foreign exchange losses, net	3.7	1.0
Employee expense including share-based payments	63.4	52.4
Research and development (employee expense)	5.3	5.8
Marketing and communications	58.3	36.4
IT and related costs	13.3	9.3
Consultancy fees	13.2	8.7
Professional fees	9.9	8.0
Irrecoverable VAT	5.8	6.1
Chargeback and other losses	6.8	3.5
Transaction related costs	6.2	-
Other costs	8.3	3.5
Total administrative expenses	**208.9**	**147.1**
Total cost of revenue and administrative expenses	**289.7**	**205.4**

[1] As restated, refer to note 32.

9. Auditors' remuneration

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

Million US dollar	31 December 2020	31 December 2019 [1]
Fees payable to the Company's auditors for the audit of the parent		
Company and consolidated financial statements	1.5	0.8
Fees payable to the Company's auditors for other services		
Audit of company's subsidiaries	0.5	0.3
Tax advisory and compliance services	1.0	0.2
Audit related assurance services	0.2	-
Other assurance and advisory services	1.0	-
Total	**4.2**	**1.3**

[1] As restated, refer to note 32.

10. Finance income and costs

Million US dollar	31 December 2020	31 December 2019 [1]
Interest expense on convertible loans	-	2.6
Interest expense on short-term borrowings	0.5	3.3
Interest expense on lease liabilities	1.0	1.1
Other finance costs	0.4	4.4
Total finance costs	**1.9**	**11.4**
Finance income	(0.3)	(0.1)
Total	**1.6**	**11.3**

[1] As restated, refer to note 32.

11. Employee costs

Million US dollar	31 December 2020	31 December 2019 [1]
Wages and salaries	55.9	37.7
Share-based payments	7.3	13.2
Social security costs	3.4	5.9
Pension costs	2.1	1.4
Total	**68.7**	**58.2**

[1] As restated, refer to note 32.

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

Million US dollar	31 December 2020	31 December 2019 [1]
Short-term employee benefits	1.9	2.1
Total	**1.9**	**2.1**

[1] As restated, refer to note 32.

11. Employee costs (continued)

Total remuneration regarding the highest paid Director was $1.0m (2019: $1.0m) which comprises salaries and bonus emoluments. No shares were exercised by the directors of the Group during 2020 and 2019.

12. Pension

The Group operates defined contribution schemes for which the pension costs for the year amounted to $2.1m (2019: $1.4m). As at 31 December 2020, $0.4m (2019: $0.3m) has been included in the Group trade and other payables for contributions to be paid over.

13. Income tax

Group

(a) Tax on loss on ordinary activities

Million US dollar	31 December 2020	31 December 2019 [1]
Current taxation		
Current tax charge for the year	1.8	0.1
Adjustments for current tax of prior periods	-	-
Total tax charge	**1.8**	**0.1**
Deferred taxation		
Increase in deferred tax assets	(1.4)	(0.1)
Total deferred taxation	**(1.4)**	**(0.1)**
Total income tax expense	**0.4**	-

[1] As restated, refer to note 32.

No liability for UK corporation tax arose on ordinary activities in 2019 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% (2019: 19%). The differences are reconciled below.

Million US dollar	31 December 2020	31 December 2019 [1]
Loss before income tax	**(54.6)**	**(60.7)**
Accounting loss before income tax multiplied by the UK standard corporation tax of 19% (2019: 19%)	(10.4)	(11.5)
Deductible temporary differences for which no deferred tax asset is recognised	11.6	12.4
Tax relief from research and development	(0.6)	(0.8)
Difference in overseas tax rates	(0.2)	(0.2)
Expenses not deductible for tax purposes	0.8	0.2
Tax effect of utilisation of tax losses not previously recognised and Group relief	(0.8)	(0.1)
Total income tax expense	**0.4**	-

[1] As restated, refer to note 32.

13. Income tax (continued)

(c) Deferred tax

Million US dollar	31 December 2020	31 December 2019 [1]
Deferred tax assets		
Temporary differences to be recovered within 12 months	0.1	0.1
Temporary differences to be recovered after 12 months	1.5	0.1
Total deferred tax asset	**1.6**	**0.2**

[1] As restated, refer to note 32.

At 31 December 2020 the Group had temporary differences and unused tax losses on which deferred tax assets have not been recognised amounting to \$233.5m (2019: \$191.9m). Of this, other temporary differences on which deferred tax asset has not been recognised amounted to \$31.4m (2019: \$20.7m) and unused tax losses amounted to \$202.1m (2019: \$171.2m). Deferred tax is calculated on all temporary differences under the liability method using the effective tax rate of 19% (2019: 17%). The table below sets out the movement of the deferred tax assets by nature:

Million US dollar	31 December 2020	31 December 2019 [1]
Opening balance	**0.2**	**0.1**
Accruals and provisions	0.3	0.1
Transaction related costs	1.1	-
Closing balance	**1.6**	**0.2**

[1] As restated, refer to note 32.

In March 2020 the UK Government announced that the proposed reduction in the main UK corporation tax rate to 17% from 1 April 2020 would no longer take effect and it would remain at 19%. This was substantively enacted on 17 March 2020. Subsequently, 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.

14. Intangible assets

Million US dollar	Money transfer software and website	Other software	Licences	Total
Cost				
At 1 January 2019 [1]	**24.9**	**2.1**	**0.9**	**27.9**
Additions	4.8	1.2	0.2	6.2
Foreign exchange	1.0	0.1	-	1.1
At 31 December 2019 [1]	**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**
Amortisation				
At 1 January 2019 [1]	**17.2**	**1.8**	**0.6**	**19.6**
Charges for the year	4.1	1.2	0.2	5.5
Foreign exchange	0.7	0.1	-	0.8
At 31 December 2019 [1]	**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**
Net book value				
At 31 December 2019 [1]	8.7	0.3	0.3	9.3
At 31 December 2020	**10.3**	**0.7**	**0.1**	**11.1**

[1] As restated, refer to note 32.

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

15. Property, plant and equipment

Million US dollar	Office equipment	Computers	Leasehold improvements	Fixture and fittings	Total
Cost					
At 1 January 2019 [1]	**0.8**	**2.3**	**4.1**	**1.9**	**9.1**
Additions	0.2	1.5	0.1	-	1.8
Foreign exchange	-	0.1	0.1	-	0.2
At 31 December 2019 [1]	**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**
Depreciation					
At 1 January 2019 [1]	**0.5**	**1.5**	**1.0**	**0.5**	**3.5**
Charges for the year	0.2	0.6	0.6	0.4	1.8
Foreign exchange	-	0.1	-	-	0.1
At 31 December 2019 [1]	**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**
Net book value					
At 31 December 2019 [1]	0.3	1.7	2.7	1.0	5.7
At 31 December 2020	**0.2**	**1.7**	**2.2**	**0.7**	**4.8**

[1] As restated, refer to note 32.

16. Leases

Million US dollar	Right-of-use assets
Cost	
At 1 January 2019 [1]	**11.1**
Additions	2.0
Foreign exchange	0.3
At 31 December 2019 [1]	**13.4**
Additions	0.1
Foreign exchange	0.4
At 31 December 2020	**13.9**
Depreciation	
At 1 January 2019 [1]	**-**
Charges for the year	2.2
Foreign exchange	0.1
At 31 December 2019 [1]	**2.3**
Charges for the year	2.4
Foreign exchange	0.1
At 31 December 2020	**4.8**
Net book value	
At 31 December 2019 [1]	11.1
At 31 December 2020	**9.1**

[1] As restated, refer to note 32.

For the years ended 31 December 2020 and 2019 all right-of-use assets relate to long-term property leases.

The total current and non-current lease liabilities as at 31 December 2020 were \$2.8m (2019: \$2.4m) and \$9.8m (2019: \$12.1m), respectively.

The consolidated statement of profit and loss shows the following amounts relating to leases (in millions):

Million US dollar	31 December 2020	31 December 2019 [1]
Depreciation charge for right-of-use assets	2.4	2.2
Interest expense on lease liabilities	1.0	1.1
Expense relating to short-term leases	0.2	0.2

[1] As restated, refer to note 32.

The total cash outflow for leases was \$3.5m (2019: \$3.1m).

17. Investment in subsidiaries

Million US dollar	**31 December 2020**
Shares in Group undertakings	
At 11 October 2019	-
Additions	111.6
Net book value	**111.6**

During the 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. 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	62 Buckingham Gate, London, SW1E 6AJ United Kingdom	100% [1]
WorldRemit Holding Limited	Holding company	62 Buckingham Gate, London, SW1E 6AJ 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	62 Buckingham Gate, London, SW1E 6AJ 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%

17. Investment in subsidiaries (continued)

Name of subsidiary	Principal activity	Registered office and country of incorporation	Proportion of ownership interest and voting rights held
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%
WorldRemit (Somaliland) Ltd.	Money transfer	Nour Hawse Plaza Building, 26 June District Duriya Village Somaliland	100%
WorldRemit Service Company Ltd.	Business Services	62 Buckingham Gate, London, SW1E 6AJ 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	Kacyiru, Gasabo, Umujyi was Kigali PO Box 6571 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, Harare Zimbabwe	100%
WorldRemit (Tanzania) Ltd.	Money transfer	2nd Floor, The Luminary, Cnr Haile Selassie and Chloe Roads, Masaki, Dar es Salaam Tanzania	100%
WorldRemit Belgium SA	Money transfer	1060 Saint-Gilles, Place Marcel Broodthaers 8, Brussels Belgium	100%
WorldRemit West Inc	Money transfer	2, Bloor Street, W Suite 700, Toronto, ON, M4W 3E2 Canada	100%
WorldRemit Central Inc	Money transfer	2, Bloor Street, W Suite 700, 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 (Capital), Region VII, Cebu Philippines	100%

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

17. Investment in subsidiaries (continued)

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

18. Other receivables

Group

Million US dollar	31 December 2020	31 December 2019 [1]
Deposits	1.8	1.4
Prepayments	7.0	3.1
Cash advances to pay-out partners (net allowance)	106.9	72.8
Cash due from third party acquirers (net allowance)	30.1	20.0
Income tax recoverable	1.2	2.2
Other debtors	8.5	1.4
Total	**155.5**	**100.9**

[1] As restated, refer to note 32.

Company

Million US dollar	31 December 2020
Other debtors	4.6
Total	**4.6**

Prepayments in the year ended 31 December 2020 included $2.3m of commitment fee for a new loan facility to fund an acquisition (refer to note 33).

Cash advances to pay-out partners and cash due from third party acquirers relates to services performed in the ordinary course of business. They are generally immediately due for settlement and therefore are all classified as current. Other debtors as of 31 December 2020 included $7.0m of loans issued to employees for their subscription to growth shares, of which $4.6m are recorded in the Company.

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. The Group measures the loss allowance for other receivables 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.

19. Loan receivable

On 17 December 2020, the Group negotiated a loan to lend $15.0m to Chime Inc., which owns and operates the Sendwave business, due within 12 months. The loan was part of the merger agreement announced on 17 August 2020 for the acquisition of the Sendwave business by the Group and was settled subsequently to the year-ended 31 December 2020. Refer to note 33 for further details on the business combination.

20. Trade and other payables

Group

Million US dollar	31 December 2020	31 December 2019 [1]
Trade payables	11.3	9.0
Pay-out liability	15.2	10.6
Income tax liability	1.2	0.1
Accruals	18.9	13.6
Cash-settled share-based payment transactions	-	0.9
Irrecoverable VAT on accruals	2.1	1.3
Taxes and social security	2.1	1.0
Other creditors	16.7	15.6
Total	**67.5**	**52.1**

[1] As restated, refer to note 32.

Company

Million US dollar	31 December 2020
Income tax liability	0.1
Total	**0.1**

Pay-out liability consists of amounts due on transactions that the Group is committed to as at the year-end date and includes $1.8m relating to customer refunds due (2019: $1.1m).

21. Short-term borrowings

As at 31 December 2020, the Group had a short-term loan of $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 2020 were up to $70.0m. As at 31 December 2020, a total of $70.3m (2019: $35.1m) 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 1.65%. Any interest cost is charged to finance costs in the consolidated statement of profit and loss.

22. 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. The loan was fully converted in February 2021.

In 2019, all but $0.2m aggregate principal of the convertible loans were converted into ordinary shares (refer to note 23). During 2020, the Convertible Loan Agreements were novated from WorldRemit LTD. to WorldRemit Group Limited. As at 31 December 2020, $0.2m aggregate principal remains outstanding, of which $0.1m relates to the $1.3m aggregate principal convertible loan and $0.1m relates to the $0.9m aggregate principal convertible loan.

23. Share capital and share premium

Share capital represents the aggregate nominal value of all Series A, Series B, Series C, Series C2 and Series D shares (together "Preference Shares"), ordinary shares and B ordinary shares (together "Ordinary Shares") and E ordinary shares ("Growth Shares") in issue. All Preference, Ordinary and Growth Shares have a nominal value of $0.000128.

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.

Group

Million US dollar (except number of shares)	Number of shares (millions)	Share capital	Share premium	Total
At 1 January 2019 [1]	**28.1**	-	**157.2**	**157.2**
Issued during the year	10.3	-	179.1	179.1
Ordinary shares - exercise of employee stock options	0.2	-	0.7	0.7
At 31 December 2019 [1]	**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	**42.3**	-	**345.7**	**345.7**

[1] As restated, refer to note 32.

During 2020, the Group issued 3.6m E Ordinary shares amounting to $8.5m. The nominal value of the 3.6m E Ordinary Shares issued during the period remains unpaid at the end of 31 December 2020. Of the 3.6m E Ordinary Shares issued, the nominal amount that remains outstanding is due from employees for 2.7m shares and the EBT for 0.9m shares relating to unallocated shares at the period end (refer to note 25).

In 2019, the Group issued 10.3m shares amounting to $179.1m, of which $175.0m proceeds were received in cash and $4.1m non-cash issuance was primarily due to the conversion of MLC's convertible loan and the interest accrued on Series D's convertible loan.

In addition to these share issuances, in 2020, the Group issued 0.1m (2019: 0.2m) shares to employees amounting to $0.2m (2019: $0.7m) as part of the stock options that were exercised related to the Group's share-based payment plans (refer to note 25).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Share capital and share premium (continued)

				Preference Shares						
Million US dollar (except number of shares in millions)	**Ordinary shares**	**B Ordinary shares**	**E Ordinary shares**	**Series A**	**Series B**	**Series C**	**Series C2**	**Series D**	**Total number of shares**	**Total share premium**
At 1 January 2019 [1]	**14.2**	-	-	**6.6**	**4.2**	**1.9**	**1.2**	-	**28.1**	**157.2**
Conversion of MLC 50 LP Inc ("MLC") convertible loan	1.8	-	-	-	-	-	-	-	1.8	2.8
Conversion of convertible loan notes	-	1.2	-	-	-	-	-	2.4	3.6	77.1
Share issuance	-	1.6	-	-	-	-	-	3.3	4.9	99.2
Exercise of employee stock options	0.2	-	-	-	-	-	-	-	0.2	0.7
At 31 December 2019 [1]	**16.2**	**2.8**	-	**6.6**	**4.2**	**1.9**	**1.2**	**5.7**	**38.6**	**337.0**
Share issuance	-	-	3.6	-	-	-	-	-	3.6	8.5
Exercise of employee stock options	0.1	-	-	-	-	-	-	-	0.1	0.2
At 31 December 2020	**16.3**	**2.8**	**3.6**	**6.6**	**4.2**	**1.9**	**1.2**	**5.7**	**42.3**	**345.7**

[1] As restated, refer to note 32.

As at 31 December 2020 a total of 6.8m Ordinary shares were authorised but not issued.

23. Share capital and share premium (continued)

Company

Million US dollar (except number of shares)	Number of shares (millions)	Share capital	Share premium	Total
At 11 October 2019	-	-	-	-
Share for share exchange [1]	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
At 31 December 2020	**42.3**	-	**4.3**	**4.3**

[1] Refer to note 24 for further details on share for share exchange agreement between WorldRemit Group Limited and WorldRemit LTD.

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

Group

Million US dollar	Share-based payment reserve	Own shares reserve	Foreign exchange translation	Equity conversion reserve	Total
At 1 January 2019 [1]	**6.8**	-	**(5.1)**	**1.0**	**2.7**
Equity conversion reserve release	-	-	-	(0.8)	(0.8)
Foreign currency translation	-	-	4.1	-	4.1
Share-based payments awards	12.5	-	-	-	12.5
At 31 December 2019 [1]	**19.3**	-	**(1.0)**	**0.2**	**18.5**
Foreign currency translation	-	-	3.0	-	3.0
Share-based payments 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	**27.5**	**(2.1)**	**2.0**	**0.2**	**27.6**

[1] As restated, refer to note 32.

24. Other reserves (continued)

Company

Million US dollar	Share-based payment reserve	Foreign exchange translation	Merger reserve	Total
At 11 October 2019	-	-	-	-
Foreign currency translation	-	0.2	-	0.2
Share-based payments awards	4.4	-	-	4.4
Share for share exchanges in Group restructuring	-	-	103.0	103.0
At 31 December 2020	**4.4**	**0.2**	**103.0**	**107.6**

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 is recognised on the company statement of financial position as opposed to share premium. 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 50 LP Inc. ($100.1m and $2.9m, respectively).

25. Share-based payments

<u>CSOP and Unapproved Plans</u>
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.

<u>WorldRemit Employee Benefit Trust ("EBT") and Growth Shares</u>

In April 2020, the Group established the EBT to aid the holding of shares of the Company by the Company's employees. The trust holds E Ordinary shares ("Growth Shares"), which have an equity-hurdle resulting in them accruing value above and beyond the hurdle rate in an exit event. The unallocated Growth Shares held by the EBT at 31 December 2020 was a total of 0.9m (2019: nil), with a value of $2.1m (2019: $nil) which is presented as a deduction in arriving at shareholders' funds, until such time as the shares transfer to employees.

Growth Shares were issued to employees in the period, representing both new grants and grants that replaced the majority of existing equity-settled share-based arrangements of the Unapproved Plans.

25. Share-based payments (continued)

For the new grants in the period, the fair value of the award was determined at the grant date using a Monte Carlo valuation model, with the fair value of the Growth Shares, less their subscription price, representing the amount recognised in the statement of profit and loss over the service period.

The grants in the period 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.

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.

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 2019	**0.96**	**2.3**	-	-	**2.3**
Granted during the year	5.10	0.5	-	-	0.5
Forfeited during the year	4.17	(0.2)	-	-	(0.2)
Exercised during the year	3.19	(0.2)	-	-	(0.2)
At 31 December 2019	**1.38**	**2.4**	-	-	**2.4**
Vested and exercisable at 31 December 2019	**0.59**	**0.5**	-	-	**0.5**
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 [1]	-	-	**2.53**	**1.2**	**1.2**

[1] As at 31 December 2020, the Group has a total of 31.4 thousand outstanding shares with an average exercise price per share of $4.67.

The weighted average remaining contractual life for the share options outstanding as at 31 December 2020 was 7 years (2019: 9 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 $12.9 (2019: n/a). The range of exercise prices for options outstanding at the end of the year was $3.22 - $5.43 (2019: $0.00 - $5.13).

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 ($)	12.9
Dividend yield	-
Expected volatility	67.6%
Risk-free interest rate	0.2%
Vesting period of growth shares	4 years
Equity hurdle ($m)	638.5

The following table sets forth the total share-based payments expense recognised in the consolidated statements of profit and loss resulting from equity-settled options and cash-settled options for the years ended 31 December 2020 and 2019:

Million US dollar	31 December 2020	31 December 2019
Expense arising from equity-settled share-based payment transactions	7.3	12.5
Expense arising from cash-settled share-based payment transactions	-	0.7
Total expense arising from share-based payment transactions	**7.3**	**13.2**

26. Provisions

Million US dollar	31 December 2020	31 December 2019 [1]
Opening balance	2.6	0.3
Addition	-	2.3
Release	(2.1)	-
Closing balance	**0.5**	**2.6**

[1] As restated, refer to note 32.

As at 31 December 2020, the total of $0.5m consists of a dilapidation provision related to the existing lease contracts of the Group. During 2020, a total amount of $2.1m related to previously provided for employer's national insurance contributions was released as a result of the modification accounting for share-based payment awards outlined in note 25, resulting in a provision as at 31 December 2020 of $nil (2019: $2.1m).

27. Reconciliation of liabilities arising from financing activities

Million US dollar	31 December 2019 [1]	Cash	Non-cash					31 December 2020
			Debt acquired	Changes in fair value	Foreign exchange	Interest and others	Total non-cash	
Lease liabilities	14.5	(3.5)	0.1	-	0.5	1.0	1.6	12.6
Warrants	2.3	-	-	2.5	-	-	2.5	4.8
Convertible loan notes	0.2	-	-	-	-	-	-	0.2
Borrowings	35.1	34.5	-	-	-	0.7	0.7	70.3
	52.1	31.0	0.1	2.5	0.5	1.7	4.8	87.9

Million US dollar	31 December 2018	Cash								31 December 2019 [1]
			Conversion to equity	IFRS 16 implemen-tation	New debt	Changes in fair value	Foreign exchange	Interest and others	Total non-cash	
Lease liabilities	-	(3.1)	-	15.0	2.2	-	(0.7)	1.1	17.6	14.5
Warrants	2.5	-	-	-	-	(0.2)	-	-	(0.2)	2.3
Convertible loan notes	2.1	75.0	(79.7)	-	-	(0.2)	-	3.0	(76.9)	0.2
Borrowings [2]	71.3	(41.1)	-	-	-	-	0.7	4.2	4.9	35.1
	75.9	30.8	(79.7)	15.0	2.2	(0.4)	-	8.3	(54.6)	52.1

[1] As restated, refer to note 32.
[2] Includes long-term TPVG principal loan of $35.0m which was fully repaid in 2019. Balance as at 31 December 2019 relates to SVB loan of $35.1m which is disclosed within short-term borrowings in note 21.

For 2020 and 2019, 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 2020.

The repayment analysis of the non-cancellable leases is disclosed in the note 4 of the financial statements.

Financial commitments
In February 2021, the Group entered into an agreement with lenders to provide funding up to $225.0m for an acquisition. As at 31 December 2020, the Group had recorded a $2.3m commitment fee for the new loan facility (see notes 18 and 33 for further details).

29. Financial guarantees

The Company is a guarantor for third-party guarantees which as at 31 December 2020 amounted to $225.9m (2019: $1.4m). 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 33 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 funds are used for working capital purposes. BlackRock and Hercules will 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 will subsequently be 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 33).

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 2020 funds held in safeguarding bank accounts amounted to $11.9m (2019: $6.5m).

The remaining balance of restricted cash as at 31 December 2020 of $2.3m (2019: $2.1m), is held in accordance with Belgian company law, and is required to be maintained until the legal entity, WorldRemit Belgium S.A., is dissolved. See note 32 for further considerations.

31. Related party transactions

Subsidiaries

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.

Key management personnel compensation

Million US dollar	31 December 2020	31 December 2019 [1]
Short-term employee benefits	1.9	2.1
Share-based payment awards	5.4	12.0
Termination benefits	-	0.2
Total	**7.3**	**14.3**

[1] As restated, refer to note 32.

31. Related party transactions (continued)

Short-term employee benefits include wages and salaries, bonus emoluments, social security costs and other pension costs. Key management personnel are deemed to be the Board of the Directors.

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 novated from WorldRemit Limited to WorldRemit Group Limited, and $0.2m remains outstanding and unconverted at 31 December 2020.

As outlined in note 25, the Group established the EBT during the period. The Group issued loans of $7.0m to employees of the Group to enable them to subscribe for E Ordinary Shares ("Growth Shares"). Of the $7.0m value of loans issued, $5.1m relates to loans issued to the CEO and former CFO in aggregate.

32. Prior years adjustments and change in presentation currency

The Group previously presented the financial statements in Pounds Sterling but decided to present these in US dollars in 2020, which 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. The retranslation and restatement of the consolidated statements of financial position as at 1 January 2019 is as follows:

Consolidated Statement of Financial Position

Million US dollar and Pounds sterling	As previously presented £	Translation adjustments	Convertible loans [1] $	As restated $
Non-current assets				
Property, plant and equipment	4.4	1.2	-	5.6
Right-of-use assets	8.5	2.6	-	11.1
Intangible assets	6.4	1.9	-	8.3
Deferred tax assets	0.1	-	-	0.1
Long-term deposits	1.4	0.4	-	1.8
Total non-current assets	**20.8**	**6.1**	-	**26.9**
Current assets				
Other receivables	44.1	12.6	-	56.7
Restricted cash	3.6	0.9	-	4.5
Cash and cash equivalents	25.1	7.1	-	32.2
Total current assets	**72.8**	**20.6**	-	**93.4**
Total assets	93.6	26.7	-	120.3
Equity				
Share capital and share premium	111.2	46.0	-	157.2
Other reserves	6.3	(3.6)	-	2.7
Accumulated losses	(114.1)	(41.6)	0.6	(155.1)
Equity attributable to owners of the group	**3.4**	**0.8**	**0.6**	**4.8**
Non-current liabilities				
Lease liabilities	9.8	2.6	-	12.4
Convertible loans	2.0	0.7	(0.6)	2.1
Derivative financial instruments	2.0	0.6	-	2.6
Provisions	0.2	0.1	-	0.3
Long-term borrowings	14.3	4.0		18.3
Total non-current liabilities	**28.3**	**8.0**	(0.6)	**35.7**
Current liabilities				
Lease liabilities	1.6	0.5	-	2.1
Short-term borrowings	39.8	13.2	-	53.0
Trade and other payables	20.5	4.2	-	24.7
Total current liabilities	**61.9**	**17.9**	-	**79.8**
Total equity and liabilities	93.6	26.7	-	120.3

[1] See convertible loan prior year adjustment (b) explained below.

32. Prior years adjustments and change in presentation currency (continued)

In addition to the change in presentation currency, the Group restated its previously issued Consolidated Financial Statements for the year ended 31 December 2019 to reflect various accounting and reclassification adjustments. The Group evaluated these adjustments and concluded that they were not material to the Annual Report and Consolidated Financial Statements, however, to improve consistency and comparability, restated the Consolidated Financial Statements as at and for the year ended 31 December 2019 and its related notes.

The following table sets forth the total impact of the restatements in the consolidated statements of profit and loss and consolidated statement of financial position for the year ended 31 December 2019, which have also been represented in US dollars.

Consolidated Statement of Profit and Loss

Million US dollar and Pounds sterling	**As previously presented £**	**Translation adjustments**	**Accruals (a) $**	**Convertible loans (b) $**	**Other (c) $**	**As restated $**
Revenue	122.2	33.7	-	-	(0.1)	155.8
Cost of revenue	(45.6)	(12.6)	(0.1)	-	-	(58.3)
Gross profit	**76.6**	**21.1**	**(0.1)**	-	**(0.1)**	**97.5**
Administrative expenses	(115.9)	(32.0)	1.3	-	(0.5)	(147.1)
Fair value gain on derivatives	0.2	-	-	-	-	0.2
Operating loss	**(39.1)**	**(10.9)**	**1.2**		**(0.6)**	**(49.4)**
Finance income	-	0.1	-	-	-	0.1
Finance cost	(8.8)	(2.6)	-	-	-	(11.4)
Loss before income tax	**(47.9)**	**(13.4)**	**1.2**	-	**(0.6)**	**(60.7)**
Income tax expense	0.1	(0.1)	-	-	-	-
Loss for the year attributable to equity shareholders	**(47.8)**	**(13.5)**	**1.2**	-	**(0.6)**	**(60.7)**

32. Prior years adjustments and change in presentation currency (continued)

Consolidated Statement of Financial Position

Million US dollar and Pounds sterling	As previously presented £	Translation adjustments	Accruals (a) $	Convertible loans (b) $	Restricted cash (c) $	Other (d) $	As restated $
Non-current assets							
Property, plant and equipment	4.4	1.3	-	-	-	-	5.7
Right-of-use assets	8.2	2.6	-	-	-	0.3	11.1
Intangible assets	7.1	2.2	-	-	-	-	9.3
Deferred tax assets	0.2	-	-	-	-	-	0.2
Long-term deposits	1.4	0.5	-	-	-	-	1.9
Restricted cash	-	-	-	-	2.1	-	2.1
Total non-current assets	**21.3**	**6.6**	-	-	**2.1**	**0.3**	**30.3**
Current assets							
Other receivables	76.7	24.3	-	-	-	(0.1)	100.9
Restricted cash	6.5	2.1	-	-	(2.1)	-	6.5
Cash and cash equivalents	82.7	26.4	-	-	-	-	109.1
Total current assets	**165.9**	**52.8**	-	-	**(2.1)**	**(0.1)**	**216.5**
Total assets	**187.2**	**59.4**	-	-	-	**0.2**	**246.8**
Equity							
Share capital and share premium	252.3	85.3	-	(0.6)	-	-	337.0
Other reserves	15.1	3.4	-	-	-	-	18.5
Accumulated losses	(161.9)	(55.1)	1.2	0.6	-	(0.6)	(215.8)
Equity attributable to owners of the group	**105.5**	**33.6**	**1.2**	-	-	**(0.6)**	**139.7**
Non-current liabilities							
Lease liabilities	9.2	2.9	-	-	-	-	12.1
Convertible loans	0.2	-	-	-	-	-	0.2
Derivative financial instruments	1.8	0.5	-	-	-	-	2.3
Provisions	1.6	0.5	-	-	-	0.5	2.6
Total non-current liabilities	**12.8**	**3.9**	-	-	-	**0.5**	**17.2**
Current liabilities							
Lease liabilities	1.8	0.6	-	-	-	-	2.4
Short-term borrowings	26.6	8.5	-	-	-	-	35.1
Derivative financial instruments	0.2	0.1	-	-	-	-	0.3
Trade and other payables	40.3	12.7	(1.2)	-	-	0.3	52.1
Total current liabilities	**68.9**	**21.9**	**(1.2)**	-	-	**0.3**	**89.9**
Total equity and liabilities	**187.2**	**59.4**	-	-	-	**0.2**	**246.8**

32. Prior years adjustments and change in presentation currency (continued)

The prior year adjustments are presented as follows:

(a) Accruals' review: The Group performed a full review of all the accrual balances and identified a total of $1.2m aged accruals that were released to the consolidated statement of profit and loss as of 31 December 2019. The adjustment impacted other costs in the administrative expenses' ledger. Additionally, as part of this review, a total liability of $8.0m was reclassified from accruals to trade payables. Finally, as part of this adjustment, cost of revenue increased by $0.1m and administrative expenses decreased by $0.1m.

(b) Convertible loan notes: On 2 May 2017, the repayment dates of the Group's convertible loans were extended to 2021 (further details in note 22). Under IAS 39 'Financial Instruments: Recognition and Measurement', a substantial modification of the contractual terms shall be accounted for as an extinguishment of the original liability and the recognition of a new financial liability. The Group assessed the contractual clauses and identified an error on the modification accounting that resulted in a $0.6m decrease to the share premium account and a $0.6m decrease in the accumulated losses reserve. The adjustment also impacted the opening period, as at 1 January 2019, decreasing the liability by $0.6m and decreasing accumulated losses by $0.6m.

(c) Restricted cash: A total of $2.1m has been reclassified from restricted cash due within one year to restricted cash due in more than one year. This related to cash that the Group is required to hold to maintain its regulatory status in Belgium, in accordance with Belgian company law, until the dissolution of WorldRemit Belgium S.A. As the Group intends to maintain its subsidiary regulatory status for at least one year, there is no intention to use this balance and therefore is presented as a non-current asset.

(d) Other adjustments: A number of items were also identified which were immaterial individually and in aggregate, as well in size and in nature related to the dilapidation provision for leased properties, penalties for late filing of tax obligations, pension accruals and IT licences. The Group revised for these items to improve consistency and comparability of the reported balances.

33. Non adjusting events after the financial period

Acquisition of Chime Inc. ("Sendwave")

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 Sendwave 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.

33. Non adjusting events after the financial period (continued)

The financial effects of this transaction have not been recognised at 31 December 2020. The operating results and assets and liabilities of the acquired company will be consolidated from 12 February 2021. Details of consideration transferred are:

	Million US dollar
Purchase consideration	
Cash consideration [1]	212.2
Deferred consideration	50.2
Contingent consideration [2]	48.8
Stock consideration	129.2
Converted options [3]	1.2
Net debt acquired	1.0
Total consideration transferred	**442.6**

[1] The loan receivable from Sendwave (see note 19) was included in the cash consideration calculation and was settled as at the acquisition date.

[2] The fixed contingent consideration of $55.0m payable on 31 May 2022 was discounted to its net present value as of the acquisition date.

[3] As part of the Agreement, certain employees of Chime Inc. who had held stock options in Chime ("Chime Options") were entitled to receive rollover options in WorldRemit Group Limited. In accordance with IFRS 3 'Business Combinations', the fair value of the Chime Options that had vested as of the date of closing was included as part of consideration.

The determined provisional fair values of the assets and liabilities of Chime Inc. as at the date of acquisition are as follows:

	Fair value Million US dollar
Intangible assets: Customer relationships	102.4
Intangible assets: Technology	1.3
Intangible assets: Trade name	6.8
Other receivables	12.5
Prepayments	0.7
Deferred tax assets	5.4
Total assets	**129.1**
Trade and other payables	5.0
Deferred tax liability	26.6
Settlement liability	9.9
Total liabilities	**41.5**
Net identifiable assets acquired	**87.6**
Goodwill	355.0
Total consideration transferred	**442.6**

The goodwill is attributable to Chime Inc. 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.

33. Non adjusting events after the financial period (continued)

Financing

The Group had a revolving credit facility with Silicon Valley Bank of $35.0m as at 31 December 2019, which has been in place since 2015. This facility was increased to $50.0m during 2020 and further to $70.0m for a one-month period only at the end of December 2020. This facility was renewed in January 2021 and is contracted until February 2022.

The Group funded the Sendwave acquisition through a private debt placement of $225.0m in February 2021, with repayment in four years 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 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.

Series E funding round

On 20 August 2021, the Group completed its Series E funding round and raised $292.0m. 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 2,658,832 Series E Shares for a total of $267.0m and also issued warrants over 7,648 Series E Shares to BlackRock and Hercules at an exercise price of $100.41 per Series E Share.