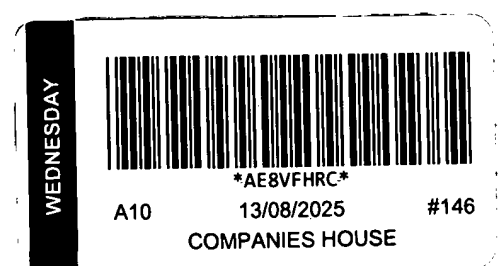


Patsystems (UK) Limited

Strategic Report, Directors' Report and Financial Statements
for the financial year ended 31 December 2024



PATSYSTEMS (UK) LIMITED

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2024**

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PATSYSTEMS (UK) LIMITED

COMPANY INFORMATION

DIRECTORS	S. Oliviero (Italian) M. Rutter (British) <i>(resigned on 29 November 2024)</i> P. Evans (British) <i>(appointed on 29 November 2024)</i>
SECRETARY	N. Griffin (British)
REGISTERED OFFICE	10 Queen Street Place London, EC4R 1BE, United Kingdom.
REGISTERED NUMBER OF INCORPORATION	3086310
AUDITOR	Ernst & Young, Chartered Accountants, The Atrium, Maritana Gate, Canada Street, Waterford, Ireland.

PATSYSTEMS (UK) LIMITED

STRATEGIC REPORT for the year ended 31 December 2024

The board of directors (the "Board") presents herewith the Strategic Report of Patsystems (UK) Limited (the "Company") for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the Company is the development, distribution and support of software enabling electronic trading of financial products on global trading exchanges. The Company will continue to be a supplier of computer software and related development and consulting services.

Financial performance indicators

The Company's key measures of financial performance are Revenue, Profit after Taxation, and Net Cash Flow.

Revenue

The Company's total revenue was £1.5 million in 2024 and £4.6 million in 2023. The decrease in total revenue for 2024 as compared to 2023 is £3.1 million or 67.3%.

Profit after Taxation

Profit after taxation was £2.5 million in 2024, and £4.1 million in 2023. The decrease for 2024 as compared to 2023 is £1.7 million or 40.4%.

Net Cash Flow

The Company's cash balance decreased by £0.07 million in 2024 compared to £0.02 million in 2023.

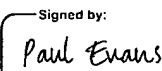
PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties which the Company faces are:

- Potential defects in the Company's products or failure to provide services for the Company's customers could cause the Company's revenue to decrease, cause the Company to lose customers and damage the Company's reputation;
- The Company has a limited ability to protect its intellectual property rights, and others could obtain and use the Company's technology without authorisation; and
- The Company may be exposed to significant liability if it infringes the intellectual property or proprietary rights of others.

The Company has insurances, business policies and organisational structures to limit these risks and uncertainties. The Board and management regularly review, reassess and proactively limit the associated risks.

On behalf of the Board,

Signed by:

413ECA6689FC431...

P. Evans
Director

30 July 2025

PATSYSTEMS (UK) LIMITED

DIRECTORS' REPORT for the year ended 31 December 2024

The board of directors (the "Board") presents herewith its report and audited financial statements ("financial statements") of Patsystems (UK) Limited ("the Company") for the year ended 31 December 2024.

DIRECTORS AND THEIR INTERESTS

The interests of the directors and company secretary who served at the year end in the in shares of the Company or other group companies are set out in note 16 to the financial statements.

On 29 November 2024, Mandy Rutter resigned as a director of the Company.

On 29 November 2024, Paul Evans was appointed as a director of the Company.

A full list of the directors who served during the year is disclosed on page 2.

DIVIDENDS

In 2024, the Board did not recommend payment of dividends (2023: £Nil).

EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

In 2025, the Board declared and paid dividends of £1.1 million.

RESEARCH AND DEVELOPMENT

The Company did not engage in any research and development activities during the year.

GOING CONCERN

The financial statements have been prepared on the going concern basis of accounting. The time-period that the Board has considered in evaluating the appropriateness of the going concern basis of accounting is a period of 12 months from the date of approval of the financial statements (the 'period of assessment').

The Board has considered the Company's business activities and how it generates value, together with the main trends and factors likely to affect future development, business performance and financial position of the Company.

The Board has also considered the expected future cash flows of the Company and has satisfied itself and considers it appropriate that the Company is a going concern, having adequate resources to continue in operational existence for the foreseeable future and has not identified any material uncertainties that would cast significant doubt on the Company's ability to continue as a going concern over the period of assessment.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Board to prepare financial statements for each financial year. Under that law, the Board has elected to prepare the Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice (GAAP) in conformity with the requirements of Companies Act 2006), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

PATSYSTEMS (UK) LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2024 (continued)

DIRECTORS' RESPONSIBILITIES STATEMENT (continued)

Under company law, the Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Company as at the year-end date and of the profit or loss of the Company for the year and otherwise comply with the Companies Act 2006.

In preparing those financial statements, the board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY

The Company consumed less than 40,000 kWh of energy in the United Kingdom during the year ended 31 December 2024. Therefore, the Company is not required to disclose information relating to these items.

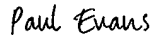
DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was on the Board at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware. Having made enquiries of the Company's auditor, the Board has taken all the steps that it is obliged to take in order to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

Ernst & Young, Chartered Accountants and Statutory Audit Firm, will continue in office in accordance with Section 487 of the Companies Act 2006.

On behalf of the Board,

Signed by:

413ECA669FC431...
P. Evans
Director

30 July 2025



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PATSYSTEMS (UK) LIMITED

Opinion

We have audited the financial statements of Patsystems (UK) Limited (the 'Company') for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 18, including the material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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 Company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PATSYSTEMS (UK) LIMITED (Continued)

Other information (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 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 Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PATSYSTEMS (UK) LIMITED
(Continued)**

Auditor's 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 auditor's 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 101, Companies Act 2006 and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to environmental and bribery and corruption practices.
- We understood how Patsystems (UK) Limited is complying with those frameworks by making and corroborating enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquires through reading the board minutes, and we noted that there was no contradictory evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by inquiry of management, those charged with governance and others within the Company, as to whether they have knowledge of any actual or suspected fraud. Where this risk was considered higher, we performed audit procedures to address the fraud risk. We performed journal entry testing by specific risk criteria, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the Company's business.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reading minutes of board meetings and analytical reviews.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PATSYSTEMS (UK) LIMITED
(Continued)

Use of our report

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

A handwritten signature in black ink, appearing to read 'Ernst + Young'.

Ronan Clinton (Senior statutory auditor)
for and on behalf of Ernst & Young, Chartered Accountants and Statutory Auditor
Waterford, Ireland

05 August 2025

PATSYSTEMS (UK) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2024**

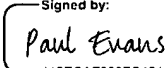
	<i>Note</i>	2024 £	2023 £
Revenue	3	1,547,599	4,627,735
Operating expenses		(94,899)	(1,505,423)
Operating profit	4	1,452,700	3,122,312
Impairment charge of intercompany loans	12	(163,174)	–
Finance income	8	1,274,790	1,057,260
Finance expenses	9	(50,803)	(12,103)
Profit before taxation		2,513,513	4,167,469
Taxation	10	(60,498)	(54,057)
Profit for the year		2,453,015	4,113,412
Other comprehensive income		–	–
Total comprehensive income		2,453,015	4,113,412

PATSYSTEMS (UK) LIMITED

**STATEMENT OF FINANCIAL POSITION
at 31 December 2024**

	Note	2024 £	2023 £
NON-CURRENT ASSETS			
Deferred tax asset	10	238,613	299,111
		<u>238,613</u>	<u>299,111</u>
CURRENT ASSETS			
Trade and other receivables	11	42,453,867	41,573,424
Cash and cash equivalents		173,466	106,345
		<u>42,627,333</u>	<u>41,679,769</u>
Creditors – amounts falling due within one year	12	(1,931,991)	(3,497,940)
NET CURRENT ASSETS		<u>40,695,342</u>	<u>38,181,829</u>
NET ASSETS		<u>40,933,955</u>	<u>38,480,940</u>
EQUITY			
Share capital	13	1,874	1,874
Share premium	13	3,962,223	3,962,223
Capital reserves		53,631	53,631
Retained earnings		36,916,227	34,463,212
TOTAL SHAREHOLDERS' FUNDS		<u>40,933,955</u>	<u>38,480,940</u>

The financial statements were approved by the Board and authorised for issue on 30 July 2025. On behalf of the Board,

Signed by:

413ECA669FC431...

P. Evans
Director

PATSYSTEMS (UK) LIMITED

**STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024**

	<i>Note</i>	<i>Share capital £</i>	<i>Share premium £</i>	<i>Capital Reserves £</i>	<i>Retained earnings £</i>	<i>Total equity £</i>
At 1 January 2023		1,874	3,962,223	53,631	30,349,800	34,367,528
Profit for the year		-	-	-	4,113,412	4,113,412
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	4,113,412	4,113,412
At 31 December 2023		1,874	3,962,223	53,631	34,463,212	38,480,940
Profit for the year		-	-	-	2,453,015	2,453,015
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		-	-	-	2,453,015	2,453,015
At 31 December 2024		1,874	3,962,223	53,631	36,916,227	40,933,955

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2024

1. GENERAL INFORMATION

Patsystems (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office address is 10 Queen Street Place, London, EC4R 1BE, United Kingdom. The nature of the Company's operations and its principal activities are set out in the Strategic Report. The ultimate parent undertaking is disclosed in note 16.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) *Basis of preparation*

The financial statements of the Company have been prepared in accordance with the UK Adopted International Accounting Standards in conformity with Companies Act 2006 ('UK Adopted ISAs') and Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101').

The following exemptions from the requirements of UK Adopted ISAs have been applied in the preparation of the financial statements, in accordance with FRS 101:

- IFRS 7 *Financial Instruments: Disclosures*
- Paragraphs 91 to 99 of IFRS 13 *Fair value measurement* (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraphs of IAS 1 *Presentation of financial statements*:
 - (i) 10(d), (statement of cash flows);
 - (ii) 16 (statement of compliance with all IFRS);
 - (iii) 38A (requirement for minimum of two primary statements, including statement of cash flows);
 - (iv) 111 (statement of cash flows information); and
 - (v) 134-136 (capital management disclosures).
- IAS 7 *Statement of cash flows*
- Paragraph 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors* (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24 *Related party disclosures* (key management compensation)
- The requirements in IAS 24 *Related party disclosures* to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 *Impairment of assets*.
- Second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*.

The Company has availed of the exemption in Section 408 of the Companies Act 2006 from presenting the Statement of Other Comprehensive Income.

The financial statements have been prepared under a historical cost basis except for certain financial instruments which are carried at fair value. The financial statements are presented in pound sterling, which is also the Company's functional currency.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(b) *Going concern*

The financial statements have been prepared on the going concern basis of accounting. The time-period that the Board has considered in evaluating the appropriateness of the going concern basis of accounting is a period of 12 months from the date of approval of the financial statements (the 'period of assessment').

The Board has considered the Company's business activities and how it generates value, together with the main trends and factors likely to affect the future development, business performance and financial position of the Company.

The Board also has considered the expected future cash flows of the Company and has satisfied itself and considers it appropriate that the Company is a going concern, having adequate resources to continue in operational existence for the foreseeable future and has not identified any material uncertainties that would cast significant doubt on the Company's ability to continue as a going concern over the period of assessment.

(c) *Judgements and key sources of estimation uncertainty*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements;

(i) *Percentage of Completion (POC) estimates for Fixed Fee Service Revenue:* Revenue relating to the provision of services, on a fixed fee basis, is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours. Estimates are made over the total expected labour hours based on project managers estimated and revised budgets, however circumstances may change which will impact on the hours to complete. Please see note 2(d).

(ii) *Provision for doubtful debts:* The Company uses a provision matrix to calculate the expected credit loss (ECL). The provision matrix is based on days past due, initially based on the Company's historical observed default rates by customer segment. In determining the provision matrix, a significant judgement exists in determining the correlation between historically observed default rates, current and future economic conditions. The Company's historical observed default rates as adjusted by future economic conditions may not be representative of the future actual default rates. Please see note 11 for further details.

(d) *Revenue recognition*

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) *Revenue recognition (continued)*

Multi-element arrangements and allocations of the transaction price

The Company derives revenue from licences and subscriptions of its software and related professional services, which can include; assistance in implementation, customisation and integration, post-contract customer support, and other associated professional services. In the event that an agreement with the Company's customers is executed in close proximity to other agreements with the same customer, the Company evaluates whether the separate agreements have a single commercial objective and should be combined; if so, the agreements together are considered a single multi-element arrangement. The Company accounts for individual elements as distinct performance obligations when an element is separately identifiable from other elements in the agreement and if the customer can benefit from the separate element.

Where such multiple-element arrangements exist, the transaction price is allocated to each performance obligation based on the relative standalone selling prices. The standalone selling price of each performance obligation is determined based on the best estimate of the current market price of each of the performance obligations when sold separately.

In determining the total transaction price, the Company considers the fair value of the consideration, both fixed and variable, to which the Company expects to be entitled and adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Company with a significant benefit of financing the transfer of goods or services to the customer where the period of the financing is over one year.

Sale of and subscription of licences

Licence revenue is recognised over the period of the related sales agreement, where the licence is considered a right to access Intellectual Property or the licence is considered a right to use of the software but it is not distinct from post contractual support ("PCS").

In all other circumstances, where the licence is considered a right to use of the software, licence revenue is recognised when the Company has no further obligations to perform in respect of the licence. Where the licence is distinct and separated from the PCS, the PCS revenue is recognised over the PCS period in the sales agreement.

Rendering of services

Revenue pursuant to time and material professional services contracts are recognised as services are performed. Revenues from fixed-fee professional services contracts are recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual labour hours spent relative to the total expected labour hours. Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known. Any costs incurred in relation to the provision of services which are reimbursable from the customer in accordance with the terms of the contract are recognised as revenue when the right to be reimbursed is established.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(d) *Revenue recognition (continued)*

Royalty income

Royalties from the licence of intellectual property is recognised when (or as) the later of the following events occurs:

- a) the subsequent sale or usage occurs; and
- b) the performance obligation to which some or all of the sales or usage based royalty has been allocated and has been satisfied (in full or in part).

(e) *Financial assets*

Initial recognition and measurement – the Company determines the classification of its financial assets on initial recognition. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Subsequent measurement – for purposes of subsequent measurement, financial assets held by the Company are classified as follows:

- Financial assets at amortised cost – these include financial assets at amortised cost if both of the following conditions are met: (i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows, and (ii) based on the contractual terms, the expected cashflows are solely payments of principal and interest on the outstanding principal. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

Impairment of financial assets – the Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivable and the economic environment.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(e) *Financial assets (continued)*

The Company considers default to occur when contractual payments are outstanding greater than 360 days past due based on historical experience, however given the Company applies a simplified approach in calculating ECLs for trade receivables, the definition of default has no impact on the quantification of the provision. Trade receivables are written off when there is no reasonable expectation of recovering the contractual cash flows, which is based on an assessment of the Company's intention and ability to successfully recover balances through enforcement activities.

Derecognition – a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Statement of Financial Position) where:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(f) *Financial liabilities*

Initial recognition and measurement – the Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Derecognition of financial liabilities – a liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in the Statement of Comprehensive Income.

(g) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(h) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts if any are shown within borrowings in current liabilities.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(i) *Foreign currency translation*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency').

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 re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

(j) *Taxation*

The tax expense for the financial year comprises current and deferred tax. Current tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, current tax is charged or credited to equity if it relates to items that are credited or charged directly to equity, otherwise income tax is recognised in profit or loss.

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws in effect for the financial year.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for deferred tax assets which are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised. Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (continued)

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

(k) *New standards and interpretations*

New standards and interpretations effective 1 January 2024

The following amendment to the standards has been adopted for the first time in these financial statements:

IAS 1 Presentation of Financial Statements – Classification of Liabilities 1 January 2024
as Current or Non-current and Non-current Liabilities with Covenants

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – in January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In November 2022, the IASB issued additional amendments to modify the requirements introduced by *Classification of Liabilities as Current or Non-current* on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. The amendment clarified that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes to the financial statements that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments had no material impact on the Company's financial statements.

3. REVENUE

Revenue was wholly derived from the Company's principal activity. It comprises the value of goods and services sold, excluding VAT. The Company has recognised the following amounts in relation to revenue in the Statement of Comprehensive Income. All revenue is derived from customers as follows:

	2024	2023
	£	£
Contracts with customers	1,547,599	4,627,735

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (continued)

3. REVENUE (continued)

The Company typically invoices clients annually in advance for all contract revenue streams except for professional service revenue, which can be either billed in advance or on satisfaction of milestones. As such, substantially all deferred revenue at the end of an accounting year will be recognised in the following year, with the exception of (i) contracts where revenue recognition is deferred due to uncertainty over payment and (ii) contracts with a significant financing component.

Accrued revenue primarily relates to the Company's rights to consideration for work completed but not billed at the reporting date. Deferred revenue primarily relates to the advance consideration received from customers for contracts, for which revenue will be recognised on satisfaction of performance obligations in subsequent periods.

	2024 £	2023 £
Accrued revenue at the beginning of the year	3,105	2,931
Deferred revenue at the beginning of the year	–	–
Net accrued / (deferred) revenue at the beginning of the year	3,105	2,931
Invoices raised in the year	(3,210,814)	(5,006,191)
<i>Revenue recognised in the year:</i>		
Included in the deferred revenue at the beginning of the year	–	–
Relating to performance obligations satisfied in a previous year	–	–
Relating to performance obligations satisfied from invoices raised in the current year	1,547,599	4,627,735
Bad debt provision recognised against deferred revenue	1,234,990	263,872
Foreign exchange	(55,212)	114,758
Accrued revenue at the end of the year	–	3,105
Deferred revenue at the end of the year	(480,332)	–
Net accrued revenue / (deferred revenue) at the end of the year	(480,332)	3,105

The Company does not disclose the amount of the transaction price allocated to the remaining performance obligations and when it expects to recognise that amount as revenue, in accordance with paragraph 121 and B16 of IFRS 15 *Revenue from Contracts with Customers*.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (continued)

4. OPERATING PROFIT

	2024	2023
	£	£
<i>Operating profit is stated after charging</i>		
Foreign exchange loss	11,330	943,532

5. AUDITOR'S REMUNERATION

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company.

	2024	2023
	£	£
Audit of company accounts	25,185	24,570

6. DIRECTORS' REMUNERATION

The directors received £2,000 for their qualifying services to the Company.

7. STAFF COSTS

The Company had no employees during the year (2023: £Nil).

8. FINANCE INCOME

	2024	2023
	£	£
Interest on loans to group undertakings	1,274,790	1,056,853
Other interest income	-	407
	1,274,790	1,057,260

9. FINANCE EXPENSES

	2024	2023
	£	£
Interest on loans from group undertaking	50,803	12,103

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2024 (continued)

10. TAXATION

	2024 £	2023 £
(a) <i>Tax on profit</i>		
The tax charge is made up as follows:		
Current tax:		
Corporation tax	–	–
Over provision in previous years	–	(9,612)
Total current tax	–	(9,612)
Deferred tax:		
Origination and reversal of temporary differences	55,229	61,518
Adjustment in respect of prior years	5,269	(1,718)
Change in deferred tax rate	–	3,869
Total deferred tax	60,498	63,669
Tax on profit (note 10 (b))	60,498	54,057

(b) *Factors affecting tax credit for the year:*

The tax assessed for the year differs from that calculated by applying the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%). The differences are explained below:

	2024 £	2023 £
Profit before taxation	2,513,513	4,167,469
Accounting profit before tax multiplied by the standard rate of corporation tax in the UK of 25.0% (2023: 23.5%)	628,378	980,211
Effects of:		
Items not deductible for tax purposes	40,794	–
Difference in effective tax rates	–	–
Group relief claimed	(614,912)	(919,432)
R&D tax credits	969	739
Prior year deferred tax charge	5,269	–
Effect of change in deferred tax rate	–	3,869
Adjustment in respect of prior years – current tax	–	(9,612)
Adjustment in respect of prior years – deferred tax	–	(1,718)
Tax on profit (note 10 (a))	60,498	54,057

PATSYSTEMS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 2024 (continued)****10. TAXATION (continued)****(c) Deferred tax asset**

	2024 £	2023 £
Amounts falling due after more than one year	238,613	299,111
	2024 £	2023 £
Accelerated capital allowances on fixed assets and capitalised development costs	211,840	258,167
Other temporary differences	26,773	40,944
	238,613	299,111
	2024 £	2023 £
At 1 January	299,111	362,780
Deferred tax debit in Statement of Comprehensive Income	(60,498)	(63,669)
At 31 December	238,613	299,111

(d) Impact of Pillar Two legislation

The Company is a member of the ION Markets Division, which forms a Group for Pillar Two purposes. The Pillar Two legislation applies to this Group as the consolidated revenue is greater than €750 million.

Under the new legislation, the Group is liable to pay a top-up tax for the difference between the Pillar Two effective tax rate per jurisdiction and the 15 per cent minimum rate. Specific adjustments envisaged in the Pillar Two legislation can give rise to different effective tax rates compared to those calculated for IFRS purposes.

The Pillar Two legislation is effective for the Group for the year ended 31 December 2024. The Company has applied the temporary exception to deferred tax assets and liabilities related to Pillar Two income taxes, as provided by the amendments to IAS 12.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

10. TAXATION (continued)

(d) *Impact of Pillar Two legislation (continued)*

The Group has performed an assessment of its exposure to Pillar Two for the year ended 31 December 2024, focusing on the jurisdictions where it operates. Based on this assessment, the Group anticipates that it will be able to rely on the Transitional Safe Harbours provided by the OECD in most relevant jurisdictions for the initial years of implementation. These Safe Harbours are designed to simplify compliance and provide relief during the transition period. In the jurisdictions where the Transitional Safe Harbour is not met, no material top-up taxes should ultimately be payable for the year ended 31 December 2024. This is due to adjustments that would be available under the OECD Model Rules.

As a result, Pillar Two legislation is not expected to have a material impact on the financial statements of the Company. The Group will continue to monitor changes in law and guidance as they apply to the Company.

11. TRADE AND OTHER RECEIVABLES

	2024	2023
	£	£
<i>Current assets</i>		
Trade receivables	1,211,530	6,320
Accrued income	–	3,105
Amounts owed from group undertakings	41,242,064	41,096,368
Other debtors	273	467,631
	<u>42,453,867</u>	<u>41,573,424</u>

Amounts owed from group undertakings

Amounts owed from group undertakings refers to trade and loan balances which are unsecured and repayable on demand. The loans carry interest rates between 6.8% – 8.5% (2023: 3.5% – 6.8%). As at 31 December 2024, a certain trade balance with a group undertaking was assessed to be impaired and fully provided for.

PATSYSTEMS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 2024 (continued)****11. TRADE AND OTHER RECEIVABLES (continued)***Expected credit losses on trade receivables*

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. Trade receivables are non-interest bearing and are generally issued with credit terms of 0 – 30 days.

An impairment analysis is performed at each reporting date using the provision matrix below to measure the ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation of the ECL reflects reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Loss rates are based on actual credit loss experience over a period of at least 6 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

As at 31 December 2024 (£):	<i>Current</i>	<i>30-360</i>	<i>Over 360</i>	<i>Total</i>
Expected credit loss rate %	0.1%	0.9%	44.1%	
Gross carrying amount	661,794	107,885	792,904	1,562,553
ECL	(401)	(966)	(349,656)	(351,023)
Net carrying amount	661,393	106,889	443,248	1,211,530
Past due but not impaired	–	106,889	443,248	550,137
As at 31 December 2023 (£):	<i>Current</i>	<i>30-360</i>	<i>Over 360</i>	<i>Total</i>
Expected credit loss rate %	0.1%	99.9%	100.0%	
Gross carrying amount	5,064	316,151	13,102	334,317
ECL	(5)	(314,890)	(13,102)	(327,997)
Net carrying amount	5,059	1,261	–	6,320
Past due but not impaired	–	1,261	–	1,261

PATSYSTEMS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 2024 (continued)****11. TRADE AND OTHER RECEIVABLES (continued)**

Expected credit losses on trade receivables

	2024 £	2023 £
At 1 January	327,997	2,126,487
Provision for expected credit losses	23,026	(1,798,490)
At 31 December	351,023	327,997

12. CREDITORS

	2024 £	2023 £
<i>Amounts due within one year</i>		
Trade creditors	–	6,437
Accruals	5,851	6,470
VAT payable	176,520	–
Amounts owed to group undertakings	1,263,040	3,461,638
Deferred revenue	480,332	–
Other creditors	6,248	23,395
	1,931,991	3,497,940

Amounts owed to group undertakings

Amounts owed to group undertakings to trade and loan balances which are unsecured and repayable on demand. The loans carry interest rates between 7.2% – 8.2% (2023: 8.2%).

13. SHAREHOLDERS' FUNDS

<i>CALLED UP SHARE CAPITAL</i>	2024 £	2023 £
<i>Authorised</i>		
10,000,000 ordinary shares of £0.01 each	100,000	100,000
	2024 £	2023 £
<i>Allotted, called up and fully paid</i>		
187,433 / 187,432 ordinary shares of £0.01 each	1,874	1,874

Right of shares

Ordinary shares have full voting and dividend rights and a right to a return of capital being the surplus of assets after payment of all liabilities upon liquidation, reduction in capital or otherwise.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2024 (continued)

13. SHAREHOLDERS' FUNDS (continued)

Share premium account

This reserve records the consideration for the issuance of shares above the nominal value of the shares issued.

DIVIDENDS

In 2024, the Board did not recommend payment of dividends (2023: £Nil).

14. COMMITMENTS

There is a charge over the assets of the Company in favour of UBS Securities LLC and Lucid Trustee Services Limited in respect of loans repayable by other group companies.

15. RELATED PARTY TRANSACTIONS

During the year, the Company transacted with related parties in the normal course of business.

Transactions with key management personnel

The transactions with directors of the Company are disclosed in note 6.

Transactions with group undertakings

Transactions with group undertakings refer to transactions with the group of undertakings for which consolidated financial statements are prepared by their parent undertaking and of which the Company is a member. The Company has availed the exemption provided in paragraph 8(k) of FRS 101 to disclose transactions with the group undertakings.

16. PARENT UNDERTAKINGS, CONTROLLING PARTIES, DIRECTORS' AND SECRETARY'S INTERESTS

The Company's immediate parent undertaking Patsystems Limited, a company incorporated in the United Kingdom.

The Company's ultimate parent undertaking and controlling party is Bessel Capital S.à.r.l., a company incorporated in Luxembourg.

The parent undertaking of the smallest and largest groups of undertakings for which consolidated financial statements are prepared and of which the Company is a member, is ION Trading Technologies Limited, a company incorporated in the Republic of Ireland.

Neither the directors, nor the Company secretary, their spouses or minor children, held any interests in the shares of the Company, its parent undertaking or any other group undertaking, except as follows:

At the year end, Mr. A. Pignataro owned directly 100% (2023: 100%) of Bessel Capital S.à.r.l.

PATSYSTEMS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2024 (continued)

17. EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

In 2025, the Board declared and paid dividends of £1.1 million.

18. APPROVAL OF FINANCIAL STATEMENTS

The Board approved and authorised for issue the financial statements in respect of the financial year ended 31 December 2024 on 30 July 2025.