Alipay (Europe) Limited

Société anonyme

9, rue du Laboratoire
L-1911, Luxembourg
R.C.S. Luxembourg B188095
Subscribed capital: EUR 3,635,000

Annual Accounts
for the year ended 31 December 2024
(with the report of the Réviseur d’entreprises agréé thereon)

General information

Directors

Peng Yang
Leiming Chen
Yi Zhou

Registered office

9, rue du Laboratoire
L-1911, Luxembourg

Auditor

Ernst & Young S.A.
35E, Avenue John F. Kennedy
L-1855 Luxembourg

Bankers

HSBC
Citibank
JP Morgan
BBVA
Banking Circle
BGL BNP Paribas

Index

Shape the future
with confidence

Ernst & Young
Société anonyme

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Autorisations d'établissement :
00117514/13, 00117514/14, 00117514/15, 00117514/17, 00117514/18, 00117514/19

Independent auditor's report

To the sole Shareholder of
Alipay (Europe) Limited S.A.
9, rue du Laboratoire
L-1911 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Alipay (Europe) Limited S.A. (the "Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS as adopted by the European Union and for such internal control as the Board of Directors determines 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 Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" 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 a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Romain Swertvaeger

Luxembourg, 13 June 2025

Directors' report

The Directors are pleased to present their statement to the members, together with the audited financial statements of Alipay (Europe) Limitied S.A. (the "Company") for the financial year ended 31 December 2024.

The Company is principally engaged in payment processing, marketing and business development activities. There has been no significant change in the nature of these principal activities for the financial year ended 31 December 2024.

Director of the Company

The Directors of the Company in office at the date of the statements are:

- Peng Yang
- Leiming Chen
- Yi Zhou

Opinion of the directors

In the opinion of the Directors,

(i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts.

Financial performance

The Company has continued to operate successfully in 2024 in line with the Board's directions.

The Revenue of the Company in 2024 amounted to EUR 267 million (2023: EUR 227 million).

The average number of staff was 17 persons during the financial year ended December 2024.

The financial year resulted in a profit of EUR 9.3 million (2023: EUR 7.9 million), while the net equity amounts to EUR 18 million (2023: EUR 31.8 million) following the dividend paid by the Company to its sole Shareholder in October 2024.

The Director propose allocating the profit of EUR 9.3 million to the results brought forward, leaving a balance of retained earnings after such allocation amounting to EUR 11 million.

R&D activities

The Company did not undertake R&D activities during the year.

Overseas branches

The Company did not have registered overseas branches during the year.

Allocation of free shares

The Company did not allocate any free shares during the year.

Arrangements to purchase shares or debentures

Neither at the end of nor at any time during the year 2024 was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Events since the balance sheet date

Other than as disclosed in note 20, the Directors do not believe that any other specific reportable events have occurred since the balance sheet date.

Disclosure of information to the auditors

The Directors who were members of the Board at the time of approving this report are listed above. Having made enquiries of fellow Directors and the Company's auditor, each of these Director confirms that:

- to the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each Director has taken all the steps that a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Re-appointment of auditor

Ernst & Young S.A have expressed their willingness to accept re-appointment as auditor.

The auditors' remuneration is disclosed in Note 5 to the financial statements.

On behalf of the Board of Directors:

Director   Director

13 June 2025

Alipay (Europe) Limited S.A.

Year ended 31 December 2024 (EUR '000)

Statement of comprehensive income

	Notes	Year ended 31-Dec-24 €'000	Year ended 31-Dec-23 €'000
Revenue	18	267,151	227,238
Administrative expenses	5	(5,560)	(4,140)
Other operating expenses	6	(247,833)	(213,639)
Operating profit		**13,758**	**9,459**
Foreign exchange (loss)/ gain	19	(1,757)	535
Finance income		1,053	940
Finance costs		(568)	(333)
Profit before tax from continuing operations		**12,486**	**10,601**
Income tax expense	8	(3,178)	(2,725)
Profit for the financial year from continuing operations		**9,308**	**7,876**
Total comprehensive income for the year		**9,308**	**7,876**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statement of financial position

	Notes	As at 31-Dec-24 €'000	As at 31-Dec-23 €'000
Non-current assets			
Property, plant and equipment		72	81
		72	**81**
Current assets			
Trade and other receivables	9	37,706	91,860
Amounts due from related companies	17	31,599	31,079
Cash and cash equivalents held for customers	4	146,376	120,997
Cash and cash equivalents	4	16,697	21,553
		232,378	**265,489**
Total assets		**232,450**	**265,570**
Current liabilities			
Amounts due to customers	4	185,606	201,447
Amounts due to related companies	17	17,207	11,655
Trade and other payables	10	10,140	18,829
Income tax payable		1,229	1,860
Total liabilities		**214,182**	**233,791**
Capital and reserves			
Called up share capital	13	3,635	3,635
Share based payments reserve	14	1,288	1,107
Legal reserve	15	364	364
Other reserves	16	1,934	1,153
Retained earnings		11,047	25,520
Total equity		**18,268**	**31,779**
Total equity and liabilities		**232,450**	**265,570**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statement of changes in equity

	Notes	Called up share capital	Share based payments reserve	Legal reserve	Other reserves	Retained earnings	Total equity
		€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
At 1 January 2023		**3,635**	**810**	**364**	**202**	**18,595**	**23,606**
Profit for the year		-	-	-	-	7,876	7,876
Allocation to legal reserve		-	-	-	951	(951)	-
Share based payments		-	297	-	-	-	297
At 31 December 2023		**3,635**	**1,107**	**364**	**1,153**	**25,520**	**31,779**
Profit for the year		-	-	-	-	9,308	9,308
Allocation to other reserve		-	-	-	781	(781)	-
Dividends		-	-	-	-	(23,000)	(23,000)
Share based payments		-	181	-	-	-	181
At 31 December 2024		**3,635**	**1,288**	**364**	**1,934**	**11,047**	**18,268**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Statement of cash flows

	Notes	As at 31 December 2024 €'000	As at 31 December 2023 €'000
Operating activities			
Profit before tax		12,486	10,601
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property and equipment		61	200
Share-based payment expense	14	181	297
Finance income		(1,053)	(940)
Finance costs		568	333
Net foreign exchange differences	19	1,746	(535)
Working capital adjustments:			
Change in corporate funds balances – customer related		21	5,453
Change in cash and cash equivalents held for customers		(25,400)	5,841
Change in amounts due from related companies		(520)	(13,524)
Change in trade and other receivables		54,154	(90,903)
Change in amounts due to customers		(15,841)	83,128
Change in amounts due to related companies		5,552	(7,768)
Change in trade and other payables		(9,961)	8,476
Cash flow from operating activities		**21,994**	**659**
Corporation tax paid		(3,809)	(4,734)
Net cash flows from operating activities		**18,185**	**(4,075)**
Cash Flow from investing activities			
Purchase of property, plant and equipment		(51)	(14)
Net cash (used in) investing activities		**(51)**	**(14)**
Financing activities			
Repayment of lease liabilities		-	(169)
Interest paid		-	(333)
Dividends paid to equity holders of the parent		(23,000)	-
Net cash (used in) financing activities		**(23,000)**	**(502)**
Change in cash and cash equivalents		(4,866)	(4,591)
Cash and cash equivalents at 1 January		21,553	26,217
Net foreign exchange differences		10	(73)
Cash and cash equivalents at 31 December		**16,697**	**21,553**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1. General

The financial statements of Alipay (Europe) Limited for the year ended 31 December 2024 were authorised for issue by the Board of Directors (the "Board") on 13 June 2025.

Alipay (Europe) Limited (the "Company") was incorporated on June 20, 2014 as a "Société anonyme" under the laws of the Grand-Duchy of Luxembourg for an unlimited period, for the purpose of developing and managing its portfolio of investments and engaging in other commercial activities.

The parent company is Advanced New Technologies (Singapore) Holding Pte. Ltd . The ultimate parent company is Ant International (Cayman) Holding Limited.

On December 21, 2018, the Company was granted the electronic money institution license by the Luxembourg Minister of Finance. The purpose of the Company was therefore amended to carry out all the activities as permitted under the law of November 10, 2009.

The Company may issue means of payment in the form of electronic money ('E-Money') and carry out any commercial activities of E-money institutions.

The Company's registered office was established at 19, rue de Bitbourg, L-1273 Luxembourg, registered with the Luxembourg Trade and Companies Register under the number B 188095. On January 18, 2019, the registered office was transferred to 11-13 Boulevard de la Foire, L-1528 Luxembourg, and on April 20, 2020, it was further transferred to 9, rue du Laboratoire, L-1911, Luxembourg.

The financial year is from January 1 to December 31.

These financial statements are included in the consolidated annual accounts of Advanced New Technologies (Singapore) Holding Pte. Ltd. ("Holdings") together with its subsidiaries (the "Group") and are available at 128 Beach Road, #20-01 Guoco Midtown Office, Singapore,189773. These form the smallest body of undertakings to which the Company forms part as a direct subsidiary undertaking.

During the year, the Company was mainly involved in payment processing, marketing and business development activities.

2. Accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union.

The Company's financial statements are presented in EUR (€) and all values are rounded to the nearest thousand euros (€000) except when otherwise indicated.

The financial statements have been prepared on a historical cost basis, except for share based compensation plan that have been measured at fair value.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Adoption of new and amended IFRS and interpretations

The IFRS financial information has been drawn up on the basis of accounting standards, interpretation and amendments effective at the beginning of the accounting period.

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). There were no applicable new standards coming into effect during the year that impacted the Company.

Year ended 31 December 2024 (EUR '000)

Description	**Effective for annual periods beginning on or after**
Amendments to IFRS 16 *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to IAS 1 *Classification of Liabilities as Current or Non-Current*	1 January 2024
Amendments to IAS 7 and IFRS 7 *Supplier Finance Arrangements*	1 January 2024

The Company has not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to IAS 21 *Lack of exchangeability*	1 January 2025
New accounting standard *IFRS 18 Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 Subsidiaries without public accountability: Disclosures	1 January 2027

The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2.3 Summary of material accounting policies

a) Translation of foreign currencies

The functional currency of the Company is EUR (€).

Transactions in currencies different from the functional currency of the Company entering into the transaction are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

b) Distinction between current and non-current assets and liabilities

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale for consumption in, the entity's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within twelve months after the end of the reporting period; or
- it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the entity’s normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be settled within twelve months after the end of the reporting period; or
- the entity does not have the right to defer settlement of the liability for at least twelve months after the end of the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

c) Financial assets

i) Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets’ contractual cash flow characteristics and the Company’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied practical expedient, 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.

In order for a financial asset to be classified and measured at amortised cost for fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

iii) Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company’s financial assets at amortised cost include cash and cash equivalents, cash and cash equivalents held for customers, amounts due from related companies and trade and other receivables.

iv) Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company has not classified any financial assets at fair value through other comprehensive income.

v) Financial assets at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

vi) Financial assets at fair value through Profit or Loss (equity instruments)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

vii) Derecognition of financial assets

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

viii) Impairment of financial assets

An allowance for expected credit losses (ECLs) is required 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. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition (Stage 1), ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition (Stage 2), or are credit impaired (Stage 3), a lifetime loss allowance is required for credit losses.

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. A provision matrix is used to calculate lifetime ECLs for assets that are not credit impaired. ECLs on assets that are not credit impaired are considered to be immaterial.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

Amounts will be written off when there is no reasonable expectation of recovery.

d) Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, amounts due to related companies and amounts due to customers.

ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss.
- Financial liabilities at amortised cost (loans and borrowings).

iii) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and 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 into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

iv) Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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. The EIR amortisation is included as finance costs in the statement of profit or loss.

v) Derecognition of financial liabilities

A financial liability is generally derecognised when the obligation under the liability is discharged, sold, cancelled or expired.

vi) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

e) Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are measured at cost being the principal amount.

Cash and cash equivalents held for customers represents funds of the Company that are held for customer purposes, or on behalf in connection with payments to customers for online business-to-customer transactions. These cash mainly arise due to the time taken to clear transaction through external payment networks. After buyers make payments and before the related parties receive the money in their bank accounts, there is a clearing period between the time points when cash is received and settled.

f) Amounts due to/from Related Parties

Amounts due to/from Related Parties may include loans granted/received to/from group entities and intercompany recharges in connection with delivery/reception of services.

g) Employee benefits

i) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. A provision is made for the estimated liability for leave, based on the Company's policy, as a result of services rendered by employees up to the end of the reporting period.

ii) Share based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Employees working in the business development group are granted share appreciation rights, which are settled in cash (cash-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined using a binomial model. The approach used to account for vesting conditions when measuring equity-settled transactions also applies to cash-settled transactions.

Details of share-based payments are disclosed in Note 16.

h) Taxes

i) Current Taxation

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on the company's taxable profit. The taxable profit may differ from the profit included in the statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred taxation

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

i) Fair Value Measurement

For measurement and disclosure purposes, the Company determines the fair value of an asset or liability at initial measurement date or at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either;

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their best economic interest.

If the asset or liability measured at fair value has a bid and ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value, regardless of where the input is categorized within the fair value hierarchy.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

k) Revenue from Contract with Customers

The Company earns revenue primarily through service fees charged for payment processing services and other marketing and business development services. Revenue on the rendering of these services are recognised constantly over a period of service rendering, on the basis of the terms of services agreements.

Cost of revenue consists largely of payment processing fee, co-location expense to a third-party payment processor and vendor, and other costs attributable in providing the services. These costs are recognized in the corresponding period in which the revenue is recognized.

3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability effected in the future periods.

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

Fair Value of Equity Settled Share Based Payments

At each date of measurement, Ant International (Cayman) Holding Limited, the ultimate holding company, reviews internal and external sources of information to assist in the estimation of various attributes to determine the fair value of the share based awards granted, including but not limited to the fair value of the underlying shares, expected life, expected volatility and expected forfeiture rates. As the ultimate holding company is a private limited company, the sources utilised to determine those attributes at the date of measurement are subjective in nature and require the ultimate holding company to use judgement in applying such information to the share valuation models. The ultimate holding company is required to consider many factors and make certain assumptions (e.g. expected life (in years), expected volatility, expected dividend yield, risk-free interest rate, etc.) using this assessment. If any of the assumptions used to determine the fair value of the share-based payment awards change significantly, share based payment expense may differ materially in the future from that recorded in the current reporting period.

4. Cash at bank

As of 31 December 2024, cash at bank consists of operational cash at bank, corporate funds for customer purposes and cash equivalents held for customers. These balances of cash and cash equivalents held for customers can have either a regulatory or operational restriction placed upon them for their use.

A corresponding liability is maintained in connection with these amounts within "amounts due to customers" in the balance sheet.

As at 31 December 2024, the reconciliation between segregated cash and cash liabilities is as follows:

- **Cash and cash equivalents**

	2024	2023
	€'000	€'000
Cash and cash equivalents	16,697	21,553
	16,697	**21,553**

- **Cash and cash equivalents held for customers**

	2024	2023
	€'000	€'000
Corporate funds balances for customer purposes	5,054	5,075
Regulatory customer funds	116,661	60,345
Operational customer funds	24,661	55,577
	146,376	**120,997**

Corporate funds balances for customer purposes refer to own funds of the Company which are allocated for customer funds operations (e.g. pay customer related online channel fees, Bank fees).

Regulatory customer funds refer to customer funds to be disbursed/settled to local European merchants and merchant acquirers.

Operation customer funds refer to customer funds to be transferred to other related companies of Ant International for onward settlements to non-European merchants and merchant acquirers.

All these three categories were in line with the discussion the Company had with Luxembourg Financial Sector Supervisory Commission (CSSF), and the customer fund reconciliation submitted to CSSF on monthly basis for the year 2024.

- **Amount due to customers**

	2024	2023
	€'000	€'000
Regulatory customer funds payable	56,276	60,345
Operational customer funds payable	129,330	141,102
	185,606	**201,447**

Customer funds assets amount to cash on hand of €141.32 million (2023: €115.92 million) ,Customer funds receivables from related parties of €11.84 million (2023: nil) and the Customer funds in transit of €34.58 million (2023: €88.25 million). Combined, this amounts to €187.74 million (2023: €204.17 million).

Customer funds liabilities amounts to €185.6 million (2023: €201.45 millions), customer funds in transit within trade and other payables of €2.14 million (2023: €2.6 million). Combined, this amounts to €187.74 millions (2023: € 204.05 million).

5. Administrative expenses

	Notes	2024 €'000	2023 €'000
Staff costs	7	3,055	2,689
Professional fees		572	460
Depreciation		60	200
Audit fees		108	85
Legal fees		268	115
Travelling and entertainment		382	202
Tax advisory fees		190	32
Other expenses		925	357
		5,560	**4,140**

6. Other operating expenses

	Notes	2024 €'000	2023 €'000
Marketing costs		362	93
International payment service fees*		247,471	213,546
		247,833	**213,639**

*EUR 7.02 million was paid to related Companies, out of the EUR 247.47 million international payment service fees (Note 17).

7. Staff Costs

(a) Employee remuneration

	Notes	2024 €'000	2023 €'000
Wages and salaries		1,822	1,639
Bonus		573	188
Social security costs		230	355
Share based payments	16	258	325
Staff welfare		172	182
		3,055	**2,689**

The average number of employees for 2024 was 17 (2023: 14).

(b) Directors' remuneration

The remuneration of the directors is included in the accounts of Ant International (Cayman) Holding Limited, the ultimate holding company of the Company. The Company does not pay for their services as directors of the Company. Compared with the services rendered to other companies within Ant International (Cayman) Holding Limited, the services rendered to the Company were insignificant and it is estimated that the remuneration for their services to the Company in the current year was nil (2023: nil).

Similarly, no allocation of share-based payment expense was made to the profit or loss account of the Company for the Directors as services rendered were deemed insignificant.

8. Corporation tax

(a) The major components of income tax expense are:

	2024 €'000	2023 €'000
Current income tax:		
Corporation tax at 24.94% (2023: 24.94%)	3,178	2,725
	3,178	**2,725**
Deferred tax:		
Losses available for offsetting against future taxable income	-	-
Reversal of timing differences	-	-
Net worth tax	-	-
Tax expense in the income statement	**3,178**	**2,725**

(b) The tax expense in the income statement for the year is higher than the standard rate of corporation tax in Luxembourg of 24.94% (2023: 24.94%). The differences are reconciled below:

	2024 €'000	2023 €'000
Accounting profit before income tax	12,486	10,601
At Luxembourg's statutory income tax rate of 24.94% (2023: 24.94%)	3,114	2,643
Income not subject to tax	-	-
Non-deductible expenses	64	82
Utilization of previously unrecognized tax losses	-	-
Recognition of tax loss not previously recognized	-	-
Net worth tax	-	-
Income tax expense	**3,178**	**2,725**

By way of the Law of 22 December 2024 (the "Pillar 2 Law"), Luxembourg transposed the EU Council Directive 2022/2523 of 14 December 2022 on ensuring a global minimum level of taxation of 15% for multinational enterprise ("MNE") groups and large-scale domestic groups in the European Union ("EU"), known as the EU Pillar Two Directive or the GloBE (Global anti-Base Erosion) Directive.

For the groups in scope, the GloBE rules introduce a requirement to compute the effective tax rate ("ETR") for each jurisdiction they operate in, and potentially pay additional taxes according to the Income Inclusion Rule ("IIR") , the Undertaxed Profits Tax Rule ("UTPR") or the Qualified Domestic Minimum Top-up Tax Rule ("QDMTT") .

The Company belongs to a group that is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Luxembourg, the jurisdiction in which the company is incorporated, which has come into effect for fiscal years starting on or after 31 December 2023. The Company applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Company is part of Ant International (Cayman) Holding Limited which qualifies as an MNE group that is within scope of Pillar two legislation. While any IIR will be levied by an intermediate parent entity of the Group, since Luxembourg has implemented QDMTT, such tax -if any- will be due by the Company. Ant International (Cayman) Holding Limited has performed an assessment of the GloBE impact on Luxembourg ,specifically, our calculations confirm that the Effective Tax Rate (ETR) test threshold has been met for Transitional Safe Harbor to apply, with a simplified ETR of 25%, exceeding the required 15% (2024) threshold.

This provides a temporary relief from additional compliance requirements under the GloBE rules. As a result, the Company is not subject to Top-Up Tax calculations in Luxembourg for the reporting period.

The Company is potentially subject to the UTPR from fiscal years beginning on or after 31 December 2024. Pillar Two legislation is effective for the Company's financial year beginning 1 January 2024. The Company has performed an assessment of its potential exposure to Pillar Two income taxes.

This assessment is based on the most recent information available regarding the financial performance of the Company. Based on the assessment performed, the Pillar Two effective tax rate in Luxembourg in which the Company operates is above 15% and management is not currently aware of any circumstances under which this might change. Therefore, the Company does not expect a potential exposure to Pillar Two top-up taxes.

As at 31 December 2024, the deferred tax asset of the Company could be estimated at approx. EUR 0. The applicable tax rates for deferred taxes in Luxembourg was 24.94%.

9. Trade and other receivables

	2024	2023
	€'000	€'000
Prepayments	124	18
Customer fund in transit	34,582	88,254
Other receivables	3,000	3,588
	37,706	**91,860**

Customer funds in transit includes receivable from payment providers due to the time required to collect the funds.

10. Trade and other payables

	2024	2023
	€'000	€'000
Accruals	819	1,526
Trade payables	6,328	13,781
Other creditors	2,993	3,522
	10,140	**18,829**

Year ended 31 December 2024 (EUR '000)

11. Risk

The Company's principal financial instruments comprise cash and cash equivalents, cash and cash equivalents held for customers, amounts due to/from related parties and amounts due to customers

The main risk arising from the Company's financial instruments is credit risk, foreign currency risk and liquidity risk. The directors review and agree policies for managing each of these risks.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty of a financial instrument fails to meet its obligations, and arise principally from receivables and cash and cash equivalents.

Receivable balances are monitored on an ongoing basis with a maximum exposure equal to the carrying amount of such receivable balances. Cash and cash equivalents are placed with or entered into with reputable institutions or companies with high credit ratings and no history of default and with credit rating of A and above. The Group has no significant concentration of credit risk.

The carrying amount of financial assets recognised in the balance sheet represents the Company's maximum exposure to credit risk at the reporting date.

Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as they fall due. This may arise from mismatches in amounts or duration with regard to the maturity of financial assets and liabilities.

The Company's policy on liquidity risk management is to maintain sufficient cash and available funding to meet forecast cash movements. Cash balances and forecast cash movements are reviewed on a regular basis to ensure that the Company maintains adequate working capital.

The maturity profile of the Company's financial assets and liabilities are closely matched with balances receivable/payable within 1 year, which mitigates the risks of default on financial obligations.

Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange relates primarily to the operating activities of the Company (when receipt or payment is settled using a currency that is different to the functional currency).

The Company conducts its business mainly in its functional currency (EUR), with certain transactions denominated in other currencies. The Company seeks to limit its exposure to foreign currency risk by minimising its net foreign currency position.

The below sensitivity analysis illustrates potential movement in the statement of comprehensive income and has been prepared based on reasonably possible changes in exchange rates that would happen one at a time and assumes all other variables are held constant.

Sensitivity of profit before tax to a +/- 5% change in foreign exchange rates

	2024	**2023**
USD	(8,972)	(3,564)
MXN	(733)	(139)
CHF	(588)	(442)
ILS	(418)	(3)
JPY	(245)	(118)
PLN	(213)	(155)
	(11,169)	**(4,421)**

Other risks

The Company has exposure to other risks including operational, regulatory and reputational risk.

Operational risk is the risk of loss resulting from inadequate internal processes, people and systems or from external events.

Reputational risk is the risk of damage to the Company's brand or reputation which could lead to further financial risk including risk to earnings, capital or liquidity.

The Company is subject to regulation by local regulatory authorities. Regulatory risk is the risk of changes by such authorities that could adverse effect the business. This includes regulatory capital and own funds requirements. Capital management is detailed in Note 14 below.

The Board and Management of the Company regularly monitor key risks through the Risk Management Committee and the quarterly Board meetings.

12. Capital Management

The primary objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to equity holders or demand further capital contributions from equity holders through new share issuance. Sufficient capital was held as at 31st December 2024 and 2023 to meet all Company requirements.

The minimum capital requirement for the Company is determined with reference to 10% of the prior year's fixed costs (Method A) and 2% of the moving six-month average outstanding E-money liabilities at the end of each calendar day (Method D). Both Method A and D are own funds calculation methods defined by CSSF circular 10/462.

13. Share capital

The Company was incorporated on June 20, 2014 and issued 31.000 ordinary shares (EUR 1 par value).

On June 4, 2018, the Company increased its share capital through the issue of 4.000 new shares (EUR 1 par value).

On October 17, 2018, the Company further increased its share capital through the issue of an additional 600.000 new shares (EUR 1 par value).

On December 13, 2019, the Company further increased its share capital through the issuance of an additional 3,000.000 new shares (EUR 1 par value).

All shares issued are fully paid up.

	31 December 2024 Number thousands	31 December 2023 Number thousands	31 December 2024 €'000	31 December 2023 €'000
Authorised				
Ordinary share of €1 each	3,635	3,635	3,635	3,635
Allotted, issued and fully paid				
Ordinary shares of €1 each				
Opening balance	3,635	3,635	3,635	3,635
Issued in the year	-	-	-	-
Closing balance	3,635	3,635	3,635	3,635

14. Share based payments and reserves

Ant International (Cayman) Holding Limited, Ltd, the ultimate holding company of the Company, operates equity settled share option schemes (the Schemes) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Company’s operations. Eligible participants of the Scheme include the employees of the Company.

Restricted Share Units (“RSU”)

In 2018, Ant Group Co., Ltd. adopted the 2018 Equity Incentive Plan (the “2018 Plan”). Ant International Co., Limited (“Ant International”) was established to hold the 2018 Plan. Some employees were granted Restricted Share Units (“RSUs”) from newly granted or replaced SERs in 2018. The fair value of RSUs at the grant date was based on the fair value of an ordinary share of Ant Group Co., Ltd. The vesting of RSUs is conditional upon the fulfilment of requisite service conditions to the Ant Group Co., Ltd. Group and RSUs will be settled by Ant International according to the RSUs plan.

In September 2019, Alibaba Group Holding Limited (“Alibaba Group”) became the shareholder of Ant Group Co., Ltd. Alibaba Restricted Share Units (“Alibaba RSUs”) were granted to employees who were transferred from Alibaba Group during their employment will continue to be effective as the employees of the Company. The fair values of Alibaba RSUs are the fair value of the underlying stock of Alibaba Group Holding Limited. The vesting of Alibaba RSUs is conditional upon the fulfilment of requisite service conditions to the Company.

For the year ended 31 December 2024, the Company recognized share-based compensation expense of €70K (2023: €158K) to the statement of comprehensive income in relation to these shares.

Year ended 31 December 2024 (EUR '000)

The following are details for movements in the numbers at grant date of RSUs that were granted but not vested during the year:

	31 December 2024	31 December 2023
	Number of RSUs	**Number of RSUs**
At beginning of year	89,598	65,610
Granted		50,122
Vested	(32,871)	(26,134)
Forfeited	(27,079)	
At end of year	**29,648**	**89,598**

Stock Appreciation Rights ("SAR")

Stock Appreciation Rights ("SAR") are granted to employees of the Company by Ant International. The fair value of SAR at the grant date is based on the fair value of an ordinary share of Ant Group Co. Ltd. The vesting of SAR is conditional upon the fulfilment of requisite service conditions to the Company and SAR will be settled by Ant International according to the SAR plan.

During the year end 31 December 2024, there was a charge of €129K (2023: €166K) to the statement of comprehensive income in relation to these shares.

Recent transaction price method was used for the option pricing model for the year ended 31 December 2024

The following are details for movements in the numbers at grant date of SARs that were granted but not vested during the year:

	31 December 2024	31 December 2023
	Number of SARs	**Number of SARs**
At beginning of year	124,985	133,503
Granted		52,450
Vested	(50,647)	(46,964)
Forfeited	(8,305)	(34,723)
Transferred in		34,999
Transferred out		(14,280)
At end of year	**66,033**	**124,985**

Year ended 31 December 2024 (EUR ‘000)

Share options, 2024 Incentive Plan

Under 2024 Incentive Plan, the ultimate shareholder of the Company, Ant International (Cayman) Holding Limited (together with its subsidiaries, “the Group”), has granted share options to employees of the Company, which is exercisable to purchase one share pursuant to the plan. The fair value of options at the grant date are linked to the valuation of the Group. The vesting of the options is conditional upon the fulfilment of requisite service conditions to the Company, exercisable conditions also include individual performance of employees, company performance indicators and capital market performance. The options will be settled with ordinary shares of Ant International (Cayman) Holding Limited according to the options plan.

For the year ended 31 December 2024, the Company recognized share-based compensation expense of €46K (2023: nil) to the statement of comprehensive income in relation to these shares.

Movements in the options granted under the 2024 Incentive Plan are as below:

	31 December 2024	**31 December 2023**
	Number of Options	**Number of Options**
At beginning of year	-	-
Granted	1,708,400	-
Vested	(140,400)	-
Forfeited	-	-
Transferred in	-	-
Transferred out	-	-
At end of year	**1,568,000**	-

The following tables lists the inputs to the option pricing model for the year ended 31 December 2024.

Option	
Expected life (in years)	5.00
Expected volatility	29.9%
Risk-free interest rate	3.4%
Expected dividend yield	0%

15. Legal reserve

Under Luxembourg law an amount equal to at least 5 percent of the income of the year must be allocated to a legal reserve until such reserve equals 10 percent of the share capital of the Company. This reserve is not available for dividend distribution.

The annual general meeting of the Company dated 15 July 2021 approved the appropriation of the 2020 result and decided to allocate EUR 363,500 (10% of the share capital of the Company) to be legal reserve.

No amount was allocated to a legal reserve in the current financial period, as the previous allocated reserve equals 10 percent of the share capital of the Company.

Year ended 31 December 2024 (EUR '000)

16. Other reserves

When the Company first time prepared its financial statements in accordance with IFRS for the year ended 31 December 2019, an amount of €202K related to the waiver of professional fees paid by Alipay (UK) Limited on behalf of the Company, was accounted as a capital contribution directly to equity.

The Company allocated EUR 780,725 to the net worth tax reserve in 2024, within Other Reserves. The Company is entitled to reduce the net wealth tax due for the year by an amount which cannot exceed the corporate income tax due for the year. To avail of the above, the Company must set up a restricted reserve equal to five times the amount of the net wealth tax credited. This reserve must be maintained for a period of five years following the year in which it was created. In case of distribution of the restricted reserve, the tax credit falls due during the year in which it was distributed.

17. Related party transactions and balances

The Company entered into transactions, in the ordinary course of business, with other related parties on normal commercial terms and conditions. These transactions may include loans granted/received to/from group entities and intercompany recharges in connection with delivery/reception of services. Income for services rendered to related parties are recognised as revenue. The Company provides payment services for Ant International (Cayman) Holding Limited entities and is reimbursed for transaction costs incurred. Significant transactions entered into and trading balances outstanding were:

	2024	2023
Services rendered to related companies		
Alipay Singapore E-Commerce Private Limited*	251,152	217,481
Alibaba (Netherlands) B.V.	169	104
MultiSafepay B.V.	26	-
	251,347	**217,585**
Services received from related companies		
Alibaba (Netherlands) B.V.	5,085	-
Alipay Connect Pte. Ltd.	967	166
Alipay.com Co., Ltd.	816	243
Alibaba (France) SASU	82	-
Alibaba Cloud US LLC.	-	5,172
Alibaba.Com China Limited	39	88
Multisafepay B.V.	26	-
eWTP Digital Services (Belgium) SRL	6	-
	7,021	**5,669**
Amounts due from related companies		
Alipay Singapore E-Commerce Private Limited	18,582	30,412
Alipay Global Markets (Singapore) Pte. Ltd.	12,019	
Antfin (Netherlands) Holding B.V.	633	633
Alipay Connect Pte. Ltd.	217	-
Other related parties	148	34
	31,599	**31,079**

Amount due to related companies		
Alipay Singapore E-Commerce Private Limited	12,014	6,792
Alibaba.com Singapore E-Commerce Private Limited	2,227	2,099
Alibaba (Netherlands) B.V.	1,467	-
Alipay (Hangzhou) Information Technology Co., Ltd.	-	2,534
Alipay Connect Pte. Ltd.	599	-
Alipay (UK) Limited	439	-
Alipay.Com Co., Ltd.	352	-
Other related parties	109	230
	17,207	**11,655**

*Services includes payment processing, technical support, marketing and business development for AliExpress, etc.

18. Revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	2024	**2023**
	€'000	**€'000**
Geographical markets		
Asia	251,188	220,639
EU	15,963	6,599
Total revenue from contract with customers	**267,151**	**227,238**
Timing of revenue recognition		
Services transferred over time	267,151	227,238
Total revenue from contract with customers	**267,151**	**227,238**
Revenue		
External customers	15,935	9,697
Related party	251,216	217,541
Total revenue from contract with customers	**267,151**	**227,238**

19. Foreign Exchange

An increase in foreign exchange charge in 2024 is largely in relation to intercompany positions settled in USD. Foreign currency risk and sensitivity analysis is provided in note 11.

	2024	**2023**
	€'000	**€'000**
Foreign exchange (loss)/ gain	(1,757)	535
	(1,757)	**535**

20. Post balance sheet events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

21. Contingent liabilities and commitments

The Company does not have any significant contingent liabilities or commitments.