

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
FOR
DIGITAL RIVER UK HOLDINGS II LTD**

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for the Year Ended 31 March 2023**

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DIGITAL RIVER UK HOLDINGS II LTD

COMPANY INFORMATION
for the Year Ended 31 March 2023

DIRECTOR: Ryan Douglas

SECRETARY: TMF Corporate Administration Services Ltd

REGISTERED OFFICE: 13th Floor
One Angel Court
London
EC2R 7HJ

REGISTERED NUMBER: 09525376 (England and Wales)

AUDITORS: Durrants, Chartered Accountants
Chartered Accountants & Statutory Auditor
24 Wellington Business Park
Dukes Ride
Crowthorne
Berkshire
RG45 6LS

**STRATEGIC REPORT
for the Year Ended 31 March 2023**

The director presents his strategic report of Digital River UK Holdings II Limited ("the Company") for the year ended 31 March 2023.

BUSINESS ENVIRONMENT

The Digital River group provides e-commerce site development and hosting, site merchandising, order management, digital and physical product fulfilment, multi-lingual customer service, email marketing, advanced reporting and analytics, along with a wide range of strategic marketing services.

GOING CONCERN

Digital River, Inc, incorporated in the United States of America, is a direct subsidiary of Danube Private Holdings II, LLC, the ultimate group parent company. Digital River UK Holdings II Limited is a subsidiary Digital River UK Holdings I Limited which is in turn a subsidiary of Digital River, Inc. (the parent), and is a non trading holding company as noted in the Directors Report.

The Company's ability to continue as a going concern is dependent on the ongoing liquidity of its immediate and ultimate parent, which in turn is dependent on the parent to address: the negative covenant restrictions and increasing the size of the existing facility to provide adequate ongoing financing to meet the Groups obligations.

The Director has reviewed financial projections and underlying assumptions of the Company and those provided by the Group and considered the material uncertainty as to the availability and adequacy of debt financing from the existing, lenders, due to restrictions from non-performance under debt covenants, or the extent of forecast cash needs. The Director believes that sufficient financial resources will be available to enable the Company to meet its obligations as they fall due, covering a period of not less than 12 months from the date of approval of the financial statements.

The Director believes that the Group will not default on their debt obligations, enabling the parent to meet its obligations to the Company, covering a period of not less than 12 months from the date of approval of the financial statements. In forming this view, the Director continues to adopt the going concern basis in preparing these financial statements. The Director considered the following factors in reaching this decision;

" On December 14, 2023, Digital River, Inc. entered into an amendment to the existing Credit Agreement with the lender, to extend the maturity date of the term loan and one of its two revolving lines of credit (these two revolving lines of credit are known as Revolver A and Revolver B) and both the maturity date for the term loan and Revolver A being extended to January 31, 2025.

" On February 26, 2024, Digital River, Inc. entered into an interim amendment to the existing Credit Agreement with the lender to, amongst other things, increase the credit capacity of Revolvers A and B..

" The Group's prior history of refinancing and obtaining waivers from the lender on covenants noncompliance.

" The current status of discussions initiated with the lender to extend the maturity date of the term loan and the termination dates of Revolvers A and B, all to 30 June, 2025 with further increases of the limits for Revolvers A and B to \$15m and \$30m, respectively.

" Cost reduction initiatives implemented in late 2022 have successfully restructured the group from an operating loss to anticipated operating income before interest, taxes, depreciation and amortization for 2023 and management expects to achieve revenue related and operating efficiencies sufficient to realize positive operating income before interest, taxes, depreciation and amortization.

" The equity interest held by the lender through warrants in parent which may be exercised for a 30% equity stake in group without substantial cost.

The Director has concluded that the circumstances represent a material uncertainty as to the Company's ability to continue as a going concern and, therefore the Company may be unable to continue realizing its assets and discharging its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, as well as the history of support from the lender, the Director has a reasonable expectation that the Group debt will be refinanced with the lender and the extensions and increased capacity mentioned above will be agreed and the actions taken by Group management will ensure obligations are met as they come due. For these reasons, the Company continues to adopt the going concern basis in preparing the annual financial statements.

**STRATEGIC REPORT
for the Year Ended 31 March 2023**

PRINCIPAL RISKS AND UNCERTAINTIES

The director considers that the following are the principal risk factors that could materially and adversely affect the Company's future operating profits or financial position:

" The most significant risk the Company faces is associated with client development and retention. It is important that the Company maintains key client relationships and, at the same time, develops new client relationships along with increasing the number and type of products offered through services to diversify the turnover base.

" While the Company is incorporated in United Kingdom, it is engaged in transactions across a number of regions, using multiple currencies; therefore, there is significant foreign exchange risk present. This is managed effectively by the entity in association with corporate treasury.

The Company has a long and successful track record of managing these risks. The director is confident that he has put in place a strong management team and suite of products capable of dealing with the above issues as they arise. The principal key performance indicators used by management to monitor performance are as follows:

- " monitoring of turnover;
- " gross margins;
- " overheads;
- " profitability; and
- " working capital measures.

ON BEHALF OF THE BOARD:

Ryan Douglas - Director

27 March 2024

**REPORT OF THE DIRECTOR
for the Year Ended 31 March 2023**

The director presents his report with the financial statements of the company for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company.

DIVIDENDS

No dividends were declared in the year ended 31 March 2023.

On 31 December 2021 Digital River Technology Limited distributed its investment in DigRiv Ireland Limited at the value of euro 999 (GBP 838) to the company.

On 31 December 2021 the company distributed its investment in DigRiv Ireland Limited at the value of euro 999 (GBP 838) to the parent company Digital River UK Holdings I Limited.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors who have held office during the period from 1 April 2022 to the date of this report are as follows:

Ryan Douglas - appointed 2 January 2023

Kristopher Thomas Schmidt - resigned 2 January 2023

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Durrants, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Ryan Douglas - Director

27 March 2024

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DIGITAL RIVER UK HOLDINGS II LTD

Opinion

We have audited the financial statements of Digital River UK Holdings II Ltd (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss 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 Auditors' 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.

Material uncertainty relating to going concern

We draw attention to note 2 in the financial statements, which indicates that there are events and conditions identified that may cast significant doubt on the Company's ability to continue as a going concern. The Company is dependent on the ongoing liquidity of the parent company, Digital River Inc., which is experiencing negative financial trends, potential covenant breaches, and liquidity issues. It also holds significant external debt, which has been refinanced and extended on a number of occasions. As stated in note 2, these events or conditions, along with the other matters explained in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 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 this 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 Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director 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 the Report of the Director.

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have audited 100% of the transactions on the general ledger.
- There is regular Group reporting and oversight
- There are no significant laws and regulations applying to the company which in themselves could cause a material misstatement in the financial statements
- Our assessment of the risk of fraud , including discussion of this with management , was that this was low and opportunities were minimal and the audit testing performed did not lead to any revision of this assessment. Large and unusual transactions were tested, including journals, and this did not indicate anything to the contra

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DIGITAL RIVER UK HOLDINGS II LTD**

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 a Report of the Auditors 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.

Ian Bessant ACA (Senior Statutory Auditor)
for and on behalf of Durrants, Chartered Accountants
Chartered Accountants & Statutory Auditor
24 Wellington Business Park
Dukes Ride
Crowthorne
Berkshire
RG45 6LS

27 March 2024

**STATEMENT OF COMPREHENSIVE
INCOME
for the Year Ended 31 March 2023**

	Notes	31/3/23 £	31/3/22 £
TURNOVER		-	-
OPERATING PROFIT		-	-
Income from shares in group undertakings		-	838
		-	838
Amounts written off investments	4	<u>14,050,499</u>	<u>4,665,811</u>
LOSS BEFORE TAXATION		(14,050,499)	(4,664,973)
Tax on loss	5	-	-
LOSS FOR THE FINANCIAL YEAR		(14,050,499)	(4,664,973)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(14,050,499)</u>	<u>(4,664,973)</u>

BALANCE SHEET
31 March 2023

	Notes	31/3/23 £	£	31/3/22 £	£
FIXED ASSETS					
Investments	7		124,723,458		138,773,957
CURRENT ASSETS					
Debtors	8	<u>64,937</u>		<u>64,937</u>	
NET CURRENT ASSETS			<u>64,937</u>		<u>64,937</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>124,788,395</u>		<u>138,838,894</u>
CAPITAL AND RESERVES					
Called up share capital	9		422		422
Share premium	10		53,073,453		53,073,453
Other reserves	10		159,219,522		159,219,522
Retained earnings	10		(87,505,002)		(73,454,503)
SHAREHOLDERS' FUNDS			<u>124,788,395</u>		<u>138,838,894</u>

The financial statements were approved by the director and authorised for issue on 27 March 2024 and were signed by:

Ryan Douglas - Director

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2023

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
Balance at 1 April 2021	422	(68,789,530)	53,073,453	159,220,360	143,504,705
Changes in equity					
Total comprehensive loss	-	(4,664,973)	-	-	(4,664,973)
Dividends	-	-	-	(838)	(838)
Balance at 31 March 2022	<u>422</u>	<u>(73,454,503)</u>	<u>53,073,453</u>	<u>159,219,522</u>	<u>138,838,894</u>
Changes in equity					
Total comprehensive loss	-	(14,050,499)	-	-	(14,050,499)
Balance at 31 March 2023	<u>422</u>	<u>(87,505,002)</u>	<u>53,073,453</u>	<u>159,219,522</u>	<u>124,788,395</u>

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2023**

1. STATUTORY INFORMATION

Digital River UK Holdings II Ltd is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d).

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any related impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

2. ACCOUNTING POLICIES - continued

Going concern

Digital River, Inc, incorporated in the United States of America, is a direct subsidiary of Danube Private Holdings II, LLC, the ultimate group parent company. Digital River UK Holdings II Limited is a subsidiary Digital River UK Holdings I Limited which is in turn a subsidiary of Digital River, Inc. (the parent), and is a non trading holding company as noted in the Directors Report.

The Company's ability to continue as a going concern is dependent on the ongoing liquidity of its immediate and ultimate parent, which in turn is dependent on the parent to address: the negative covenant restrictions and increasing the size of the existing facility to provide adequate ongoing financing to meet the Groups obligations.

The Director has reviewed financial projections and underlying assumptions of the Company and those provided by the Group and considered the material uncertainty as to the availability and adequacy of debt financing from the existing, lenders, due to restrictions from non-performance under debt covenants, or the extent of forecast cash needs. The Director believes that sufficient financial resources will be available to enable the Company to meet its obligations as they fall due, covering a period of not less than 12 months from the date of approval of the financial statements.

The Director believes that the Group will not default on their debt obligations, enabling the parent to meet its obligations to the Company, covering a period of not less than 12 months from the date of approval of the financial statements. In forming this view, the Director continues to adopt the going concern basis in preparing these financial statements. The Director considered the following factors in reaching this decision;

" On December 14, 2023, Digital River, Inc. entered into an amendment to the existing Credit Agreement with the lender, to extend the maturity date of the term loan and one of its two revolving lines of credit (these two revolving lines of credit are known as Revolver A and Revolver B) and both the maturity date for the term loan and Revolver A being extended to January 31, 2025.

" On February 26, 2024, Digital River, Inc. entered into an interim amendment to the existing Credit Agreement with the lender to, amongst other things, increase the credit capacity of Revolvers A and B..

" The Group's prior history of refinancing and obtaining waivers from the lender on covenants noncompliance.

" The current status of discussions initiated with the lender to extend the maturity date of the term loan and the termination dates of Revolvers A and B, all to 30 June, 2025 with further increases of the limits for Revolvers A and B to \$15m and \$30m, respectively.

" Cost reduction initiatives implemented in late 2022 have successfully restructured the group from an operating loss to anticipated operating income before interest, taxes, depreciation and amortization for 2023 and management expects to achieve revenue related and operating efficiencies sufficient to realize positive operating income before interest, taxes, depreciation and amortization.

" The equity interest held by the lender through warrants in parent which may be exercised for a 30% equity stake in group without substantial cost.

The Director has concluded that the circumstances represent a material uncertainty as to the Company's ability to continue as a going concern and, therefore the Company may be unable to continue realizing its assets and discharging its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, as well as the history of support from the lender, the Director has a reasonable expectation that the Group debt will be refinanced with the lender and the extensions and increased capacity mentioned above will be agreed and the actions taken by Group management will ensure obligations are met as they come due. For these reasons, the Company continues to adopt the going concern basis in preparing the annual financial statements.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 March 2023 nor for the year ended 31 March 2022.

The average number of employees during the year was NIL (2022 - NIL).

	31/3/23	31/3/22
	£	£
Directors' remuneration	<u><u>-</u></u>	<u><u>-</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

4. AMOUNTS WRITTEN OFF INVESTMENTS

	31/3/23	31/3/22
	£	£
Impairment loss	<u>14,050,499</u>	<u>4,665,811</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 March 2023 nor for the year ended 31 March 2022.

6. DIVIDENDS

On 31 December 2021 Digital River Technology Limited distributed its investment in DigRiv Ireland Limited at the value of euro 999 (GBP 838) to the company.

On 31 December 2021 the company distributed its investment in DigRiv Ireland Limited at the value of euro 999 (GBP 838) to the parent company Digital River Uk Holdings I Limited.

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2022	138,773,957
Impairments	(14,050,499)
At 31 March 2023	<u>124,723,458</u>
NET BOOK VALUE	
At 31 March 2023	<u>124,723,458</u>
At 31 March 2022	<u>138,773,957</u>

None of the shares of the subsidiary undertaking are listed. In the opinion of the directors the shares in to the Company's subsidiary are worth at least the amounts at which they are stated in the balance sheet.

The Company has the following investments in subsidiary:

Country of incorporation		Registered office
Digital River Technology Ltd	Ireland	3rd Floor, Kimore House, Park Lane, Spencer Dock, Dublin 1, Ireland
Digital River Holding GmbH	Germany	Wiesenhuttenstr. 11 Frankfurt Germany
FatfFoogoo GmbH	Austria	Neutorgasse 12/9, 1010 Wien, Austria

In the audited accounts at 31 December 2022, the total net assets of Digital River Technology Limited was less than the carrying cost of the investment and the subsidiaries have experienced losses in recent years. As a result, the Company recognized a £14M (2022: £4.665M) impairment loss in the current period. It is expected that there will be a further impairment of approximately euro 8 million based on management accounts at 31 December 2023.

FatFoogoo GmbH is now liquidated (effective 24 September 2021) the cost of the investment has been realised in the form of funds received by Digital River, Inc (see note 8).

The carrying value of the investments in Digital River Technology Limited at the end of the period is equal to the cost less impairment. On this basis, the directors are satisfied the value of the subsidiaries is appropriately stated.

The nature of business of the subsidiaries is e-commerce activities. The subsidiaries are 100% owned by the Company.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2023

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/3/23	31/3/22
	£	£
Amounts owed by group undertakings	<u>64,937</u>	<u>64,937</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/3/23	31/3/22
			£	£
40,114	Ordinary A	1p	401	401
2,106	Ordinary B	1p	<u>21</u>	<u>21</u>
			<u>422</u>	<u>422</u>

10. RESERVES

The other reserves were created on 13 May 2015 as a result of a reduction in share premium using the Solvency Statement Procedure. This reserve is treated as a distributable reserve and is treated as a realised profit under Part 23 CA 2006.

11. CONTROLLING PARTY

Danube Private Holdings II, LLC. (incorporated in United States) is regarded by the directors as being the Company's ultimate parent company.

The largest group in which the results of the Company are consolidated is that headed by Danube Private Holdings II, LLC incorporated in the United States of America. No other group financial statements include the results of the Digital River UK Holdings II Limited.

The consolidated financial statements of Danube Private Holdings II, LLC are available to the public at 10380 Bren Road West, Minnetonka, MN 55343-9072 USA.

12. POST BALANCE SHEET EVENTS

As described in note 7, management accounts at 31 December 2023 indicate that there will be a further impairment of approximately euro 15 million in the investment in Digital River Technology Limited. No adjustment is reflected in these financial statements in respect of this potential impairment.

13. GUARANTEE AND COLLATERAL AGREEMENT

On 1 June 2021 the Company together with its immediate parents and ultimate parent company entered into a guarantee and collateral agreement in relation to the provision of financing facilities. On 14 December 2023 the Company together with its immediate parents and ultimate parent company entered into a supplemental debenture.