OANDA CORPORATION

Consolidated Statement of Financial Condition

December 31, 2021
(expressed in US dollars)

(with Report of Independent Registered Public Accounting Firm thereon)

Report of Independent Registered Public Accounting Firm

To the Stockholder and the Board of Directors of OANDA Corporation

Opinion on the Financial Statement – Consolidated Statement of Financial Condition

We have audited the accompanying consolidated statement of financial condition of OANDA Corporation and its subsidiary (the "Company") as of December 31, 2021, including the related notes (collectively referred to as the "consolidated financial statement"). In our opinion, the consolidated financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2021 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The consolidated financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of this consolidated financial statement in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statement is free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as, evaluating the overall presentation of the consolidated financial statement. We believe that our audit provides a reasonable basis for our opinion.

Restatement of Previously Issued Financial Statement

As discussed in Note 15 to the consolidated financial statement, the Company has restated its 2020 financial statement to correct an error. As the prior period financial statement has not been presented herein, the restatement has been effected as an adjustment to the additional paid-in capital as of January 1, 2021.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statement that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statement and (ii) involved our especially challenging, subjective, or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statement, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Uncertain Tax Position

As described in Notes 4, 9 and 11 to the consolidated financial statement, the Company operates in a complex multinational tax environment. The Company has numerous global related parties and conducts transactions with related parties, most of which are governed by transfer pricing policies. Certain assumptions and judgement have been used in developing these policies. These policies are subject to review by tax authorities, which may result in tax adjustments.

The principal considerations for our determination that performing procedures relating to uncertain tax positions is a critical audit matter are (i) the significant judgement by management when determining the probable outcome of tax assessments and the amounts recorded for uncertain tax positions, which include a high degree of estimation uncertainty; (ii) a high degree of auditor judgement, subjectivity, and effort in performing procedures and evaluating management's timely identification and accurate measurement of uncertain tax positions; (iii) the evaluation of audit evidence available to support the tax liabilities for uncertain tax positions is complex and resulted in significant auditor judgement as the nature of the evidence may be subjective; and (iv) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statement. These procedures included, among others, testing the information used in the amounts recorded for uncertain tax positions, including intercompany agreements, testing management's assessment of the technical merits of transfer pricing policies; and testing the completeness of management's assessment of both the identification of uncertain tax positions and possible outcomes of each uncertain tax position. Professionals with specialized skill and knowledge assisted in the evaluation of assumptions and judgements used in developing the transfer pricing policies and in assessing the completeness and measurement of the Company's uncertain tax positions.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario, Canada
March 8, 2022

We have served as the Company's auditor since 2019.

OANDA CORPORATION
Consolidated Statement of Financial Condition

As of December 31, 2021

(expressed in US dollars)

	2021 $
Assets	
Cash and cash equivalents (note 5)	220,425,213
Accounts receivable	409,591
Due from broker (note 6)	29,535,643
Due from related parties (note 9)	2,569,717
Property and equipment (note 7)	496,908
Income taxes receivable (note 11)	1,143,947
Intangible assets (note 8)	4,574,253
Other assets (note 10)	2,621,835
	261,777,107
Liabilities	
Amounts due to customers (note 6)	193,970,083
Accounts payable and accrued expenses	2,536,378
Due to related parties (note 9)	2,270,019
Deferred income taxes (note 11)	1,068,222
	199,844,702
Stockholder's Equity	
Common stock	10
($0.01 par value, 1,000 shares, authorized, issued and outstanding)	
Additional paid-in capital	61,991,363
Retained earnings	-
Accumulated other comprehensive income	(58,968)
	61,932,405
Total Liabilities and Stockholder's Equity	261,777,107

See accompanying notes, which are an integral part of this consolidated financial statement.

On behalf of the Board:

_______________ Director

Gavin Bambury Director

(expressed in US dollars)

1 Nature of business

OANDA Corporation (the "Company"), a Delaware corporation incorporated on November 14, 1996, is a global provider of foreign exchange and online trading services. The Company is a wholly owned subsidiary of OANDA Global Corporation (OGC). OGC, a Delaware corporation, is wholly owned by CVC Capital Partners (CVC) Asia Pacific IV LP (Fund IV), which is a private equity fund domiciled in Jersey, Channel Islands, that is managed by CVC Capital Partners SICAV-FIS S.A. (CVC).

The Company's principal business activities are online foreign exchange, and licensing of its trading software platform. The Company is a registered Futures Commission Merchant with the Commodity Futures Trading Commission and a member of the National Futures Association. The Company's affiliates that offer foreign exchange, Metal and CFD trading outside of the United States are all registered with a relevant regulator in the jurisdiction in which they operate.

The Company's principal sources of revenues are as follows:

- Trading Revenue

  The Company provides online margin trading focused primarily on over-the-counter foreign exchange trading for speculative or investment purposes. Trading is conducted through the Company's proprietary online platform, a fully automated trading platform in which the Company fulfills the role of market-maker. Customers are required to post collateral to support their trading on margin in the normal course.

  Net interest revenue, included as part of trading revenue, consists of the revenue generated from interest charges or credits on open trades with customers and liquidity providers.

  The Company economically hedges its trading exposure with major financial institutions, as considered appropriate for certain of its customer trading positions, to unmatched trades in foreign exchange to ensure that it is not unacceptably exposed to material losses based on analysis performed by the Company.

  The Company is not subject to the segregation requirements for customers' deposits on U.S. commodity exchanges pursuant to Section 6d(a)(2) under the Commodity Exchange Act ("CEA"), or to the requirements of Regulation 30.7 under the CEA for foreign futures and foreign options customers.

- License revenue

  License fees relate to an agreement entered into by the Company with its foreign related parties. This agreement is titled "Trading Platform License, Support & Profit Sharing Agreement." Under this agreement, the Company agreed to license its trading platform and the "OANDA" trademark for the purpose of the subsidiary and related parties offering an internet-based foreign exchange and CFD trading platform to trading customers in the relevant jurisdiction.

- Service revenue

  The Company entered into service agreements with its related parties to provide business consulting services which include management services and other corporate functions performed on behalf of and for the benefit of these related entities. Under these agreements, the Company charges a service fee to each related entity. Revenue is recognized as the services are performed.

(expressed in US dollars)

- Other revenue

  Other revenue includes inactivity fees charged on the customer account balances. Inactivity fees are recognized once an account is inactive for a period of at least 12 months.

2 Recently adopted accounting pronouncements

The Company applied the following standards and amendments for the first time for the year commencing January 1, 2021:

- ASC 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities
- ASC 2018-15, Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40) Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract
- ASC 2021-01, Reference Rate Reform (Topic 848): Scope

ASC 2017-12, Derivatives and Hedging (Topic 815) and ASC 2018-15, Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40) did not have any impact on the amounts recognized in prior periods and do not have a significant effect on the current period. In regards to ASC 2021-01, Reference Rate Reform (Topic 848), the Company stopped using "Interbank Offered Rates" in its financing rate calculation and instead is now using "Alternative Reference Rates." Interbank Offered Rates were calculated based on submissions by a panel of banks whereas Alternative Reference Rates are based on the actual overnight interest rates used in liquid cash and derivative markets. This standard did not have any impact on the amounts recognized in prior periods and does not have a significant effect on the current period.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

3 Recently issued FASB Accounting Standard Codification updates

In December 2019, the FASB issued ASU No 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). The purpose of ASU 2019-12 is to reduce the complexity in accounting standards relating to taxes by removing certain exceptions to the general principles in Topic 740. The amendments also improve consistent application of and simplify GAAP for other areas of Topic 740 by clarifying and amending existing guidance. This update is effective for public business entities, for fiscal years beginning after December 15, 2020, for all other entities, including the Company, the amendments are effective for fiscal years beginning after December 15, 2021. The Company is currently assessing the impact of ASU 2019-12 on its consolidated financial statement.

4 Significant accounting policies

- Basis of presentation

  The Company's consolidated statement of financial condition is prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and is presented in U.S. dollars. The statement of financial condition is prepared solely for the purpose of complying with the NFA's rule 2-36(n)(vii) regarding the public disclosure of the Company's statement of financial condition

(expressed in US dollars)

and all related footnotes that are part of the Forex Dealer Member's most current certified annual report pursuant to CFTC Regulation 1.16. These do not comprise a complete set of financial statements. A complete set of financial statements prepared in accordance with U.S. GAAP have been separately prepared and issued by the Company.

- Basis of consolidation

The consolidated statement of financial condition includes the accounts of the Company and its wholly owned subsidiary, OANDA India Private Limited, as at December 31, 2021. All intercompany balances and transactions are eliminated on application of consolidation principles.

- Use of estimates

The preparation of the financial statement in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement.

In preparing the consolidated statement of financial condition, significant estimates management makes include the following:

- internally developed foreign exchange rates;
- provision for income taxes, inclusive of existence and assessment of uncertain tax exposures;
- assessing the useful lives and existence of potential indicators of impairment related to property and equipment and intangible assets; and
- the determination of transfer pricing policies within the affiliated group and any related uncertain tax positions. The Company conducts a number of transactions with related parties throughout the year, most of which are governed by transfer pricing policies adopted by OGC to ensure that the prices charged in such transactions are those that management, in its estimation, would be consistent between arm's length parties. Certain assumptions and judgement have been used in developing these policies and there is a high degree of estimation uncertainty associated with these assumptions and judgements. These policies are subject to review by tax authorities, which may result in tax adjustments. Management believes that its transfer pricing policy is appropriate based on its assessment of relevant factors and in line with OECD guidelines.

Estimates, by their nature, are based on judgement and available information. Actual results could differ from those estimates and could have a material impact on the consolidated financial statement.

In regard to COVID-19, the Company continues to monitor the impact of the pandemic and is managing expenses and capital position accordingly. The Company has a comprehensive business continuity plan, which was activated in March 2020, and has taken specific measures to mitigate any business risks and ensure business continuity. The COVID-19 pandemic has introduced uncertainty and volatility in global markets and economies. The pandemic continues to persist around the world and has forced new temporary lockdowns in several countries. It is not possible to reliably estimate the length and severity of

(expressed in US dollars)

these developments and the impact on the volume of trading activity, and financial condition of the Company and its related parties in future periods.

- Revenue Recognition

  The Company generates revenue through licensing of its trading platform, business consulting services and foreign exchange margin trading.

  - License revenue

    The Company has entered into an agreement with its affiliates to license its trading platform. Under this agreement, the Company grants to its affiliates the rights to use the trading platform for the purpose of allowing customers to place trades. The Company charges a license fee for the use of its trading platform.

  - Service Revenue

    Revenue is recognized when the services have been performed, evidence of an arrangement exists between the parties, the price for the services is fixed and determinable, and collection is reasonably assured.

  - Trading revenue, net

    Trading revenue, net represents foreign exchange trade execution for the Company's customers. Realized gains and losses from closed or liquidated trades are calculated using the specific identification method. Unrealized gains and losses on open trades are calculated using the prevailing spot rate of exchange on the reporting date and are included in amounts due to customers and cash and cash equivalents, as applicable.

    Interest earned by or charged to customers is calculated on a daily basis and recorded when earned or incurred.

    Net revenue from trading related transactions represents realized and unrealized gains and losses from the Company's closed and open positions with its liquidity providers, net of realized and unrealized gains and losses on customers' closed and open positions with the Company, and interest earned by or charged to customers, net of interest earned or charged to the Company by its liquidity providers. Trading revenue is also net of sales incentives and rebates offered to customers in the form of cash or credits to a customer's trading account as the Company generally does not meet the conditions for expense classification, namely that the identified benefit to the Company is not sufficiently separable from a customer's trading activities and the Company cannot reasonably estimate the fair value of the aforementioned benefit.

    Trading revenue, net also includes share of profits allocation from the Company's related parties for the trades executed by the customers of the Company's related parties on the trading platform owned by the Company.

(expressed in US dollars)

Spot currency trades or transactions with financial institutions are entered into in the normal course of business in order to hedge market exposures resulting from transactions with customers. Such currency contracts are carried at fair market value.

- Interest income

Interest income consists of interest earned on cash and cash equivalents and is recognized in the period earned.

- Stock-based compensation

Subsequent to CVC's acquisition of OGC in 2018, Plutus Investment US L.P. ("Plutus"), an entity controlled by CVC and the parent entity of Plutus Investment Holdings Inc., introduced a management incentive plan for certain employees of the Company. Plutus granted share-based awards in the form of units as part of a group share-based payment arrangement. As a result, the Company is a member of a group whose employees, or grant recipients, meet the definition of an employee of an entity in the group. Accordingly, the awards granted by OGC and Plutus to the Company's employees are accounted for using employee accounting in the subsidiary financial statement. These units have been equity classified and certain units contain vesting conditions that are dependent upon the achievement of both service and market conditions in the future. Stock-based compensation expense related to the issuance or grant of these awards has been recorded with a corresponding credit to equity, representing a capital contribution from Plutus for each of their respective share-based payment arrangements with the Company's employees.

Stock-based compensation is accounted for using the fair value method, which requires the measurement and recognition of compensation cost attributable to the issuance or grant of share-based payment awards to be based on their estimated fair values. The Company determines the estimated fair value of share-based payments on their grant date and records this amount as compensation expense over the vesting period, if any, with a corresponding increase in equity.

- Foreign currency translation

The Company's functional and presentation currency is U.S. dollars. Foreign denominated assets and liabilities are translated into U.S. dollars at exchange rates at the date of the Consolidated Statement of Financial Condition.

- Income taxes

Income taxes are accounted for using the asset and liability method, which requires the recognition of deferred tax assets and liabilities on temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax is calculated at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted by the statement of financial position

(expressed in US dollars)

date. A valuation allowance is recorded against deferred tax assets if it is not more likely than not that such assets will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same taxing authority on the same taxable entity, or on different tax entities if the Company intends to settle current tax liabilities and assets on a net basis.

Uncertain tax liabilities are recorded using a two step process in which 1) we determine whether a tax position is more likely than not to be sustained upon examination based upon the technical merits of the position and 2) for those tax positions that meet the more-likely-than-not threshold, we recognize the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution.

A deferred tax asset is recognized for unused tax losses, tax credits, and other deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company operates under a permanent reinvestment strategy, under which earnings derived from foreign affiliated businesses remain invested in the Company's foreign subsidiaries. The Company does not recognize U.S. domestic tax expense related to the permanently reinvested earnings. The Company has no plans to repatriate accumulated unremitted earnings as of December 31, 2021.

- Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with original maturities of ninety days or less. The carrying amount of cash and cash equivalents approximates its fair value because of the short maturity of these investments. Cash balances may be in excess of insured limits in the relevant jurisdiction in which the cash is held. Cash held for customers represents cash and other highly liquid assets held to fund customer liabilities in connection with trading positions.

- Fair value measurements

The Company records certain financial assets and liabilities at fair value. Fair value is defined at the price that would be received for an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value measurement establishes a three-level hierarchy that prioritizes the inputs used to measure fair value.

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Unobservable inputs that are supported by little or no market activity.

(expressed in US dollars)

As of December 31, 2021, the Company's derivative assets and liabilities are classified as Level 1 (note 6). Other financial assets and liabilities including cash and cash equivalents, accounts receivable, amounts due to customers, and accounts payable and accrued expenses, are recorded at amortized cost, which approximate fair value due to their short-term nature of these instruments and related maturities.

As of December 31, 2021, the Company did not have any Level 3 financial assets or liabilities.

- Business concentrations and credit risks

Financial instruments, which subject the Company to concentrations of credit risk, consist primarily of cash and cash equivalents, due from broker, and accounts receivable. The carrying amounts of these financial instruments' approximate fair values due to their short-term nature. The Company maintains cash and cash equivalents with various financial institutions.

- Accounts receivable

Accounts receivable, net consists primarily of amounts due from legal settlements and refund due related to withholding taxes.

- Property and equipment, net

Property and equipment are recorded at cost net of accumulated depreciation. Additions and improvements that extend the life of an asset are capitalized and expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment	3 or 7 years
Furniture and fixtures	3 years

The Company evaluates the potential impairment of its property and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company recognizes an impairment loss, when and if necessary, by recording a reduction in the carrying value of the asset should the carrying amount of the asset exceeds its fair value based on anticipated undiscounted cash flows.

- Intangible assets

Intangible assets, net, include internal use software and software developed for sale. Intangible assets other than goodwill are amortized over their estimated useful lives unless their lives are determined to be indefinite. If the assets are determined to have a finite life in the future, the Company will amortize the carrying value over the remaining estimated useful life at that time. The estimated useful life of internal use software and software developed for sale is 3-10 years depending on its nature and intended use.

(expressed in US dollars)

For the finite-lived intangible assets subject to amortization, impairment is considered upon the occurrence of certain "triggering events" and is recognized if the carrying amount is not recoverable and exceeds the fair value of the intangible asset.

- Amounts due to customers

  Amounts due to customers include amounts received from customers as margin, net of withdrawals by customers, interest earned on customer funds held net of charges, unrealized gains and losses on customers' open positions, as well as gains and losses on closed positions. The fair value of customers' open positions, recognized as unrealized gains and losses, is determined based upon quoted prices at year end.

- Amounts due from/to broker

  Due from/to brokers represent the gains and losses on unsettled spot currency trades that the Company has with financial institutions. The amounts due from/to broker are carried at fair value based on market price quotations obtained from independent pricing sources. The Company has master netting agreements with its respective counterparties which allows the Company to present due from/to brokers on a net-by-counterparty basis.

5 Cash and cash equivalents

As at December 31, 2021, cash and cash equivalents included the following:

- $7,362,204 deposited in various trading and operating bank accounts to fund ongoing operations of the Company; and

- $213,063,009 of client liability balance that includes cash deposited in bank accounts by clients. The Company records a liability in connection with this amount that is included in amounts due to customers in the Consolidated Statement of Financial Condition.

6 Derivatives

Due from broker, net in the Consolidated Statement of Financial Condition includes a gain of $158,645 and a loss of ($743,527) in unsettled spot currency trades, included as part of trading revenue, that the Company has open through its arrangements with financial institutions, for which the Company provided collateral of $30,120,525. The foreign currency spot contracts are classified as level 1 instruments in the fair value hierarchy.

Amounts due to customers, net in the Consolidated Statement of Financial Condition includes a gain of $22,908,458 and a loss of ($3,815,532) in unsettled spot currency trades, included as part of trading revenue, that the Company has open with its customers, for which the Company has received a collateral of $213,063,009.

The following table presents the fair values of the Company's derivative transactions and the related offsetting amount as of December 31, 2021 reported within due from brokers and amounts due to customers on the Consolidated Statement of Financial Condition. Derivative assets and liabilities are net of counterparty and collateral offsets. Collateral offsets include cash margin amounts posted with brokers. The Company has master

(expressed in US dollars)

netting agreements with its respective counterparties. The net amount is included in due from/to brokers on the Consolidated Statement of Financial Condition.

	Gross amounts of assets for derivative open positions at fair value $	Gross amounts of (liabilities)for derivative open positions at fair value $	Net amounts of assets/ (liabilities) for derivative open positions at fair value $
Derivative instruments held with Broker	$158,645	($743,527)	($584,882)
Derivative instruments held with Customer	$22,908,458	($3,815,532)	$19,092,926

The Company's derivative instruments held at December 31, 2021 relate to spot currency contracts.

	Cash collateral provided $	Net amounts of assets/ (liabilities) for open positions at fair value $	Net amounts of assets/ (liabilities) presented in the statement of financial condition $
Due from broker	$30,120,525	($584,882)	$29,535,643
Amounts due to customers	($213,063,009)	$19,092,926	($193,970,083)

	Total contracts in long positions $	Total contracts in short positions $
Derivative instruments held	$846,411,062	$811,165,934

(expressed in US dollars)

7 Property and equipment, net

	2021 $
Computer equipment	7,069,313
Less accumulated depreciation	(6,572,405)
	496,908

8 Intangible assets

	2021 $
Internal use software	1,180,928
Software developed for sale	6,488,218
Less accumulated depreciation	(3,094,893)
	4,574,253

9 Related party transactions and balances

The Company entered into a services agreement with OANDA (Canada) Corporation ULC (OANDA Canada) dated January 1, 2016. Under this agreement, the Company's business consulting group provided services to OANDA Canada in return for fees on a cost-plus reasonable margin basis. During the year, the Company's business consulting group provided executive management, legal, finance and marketing services to OANDA Canada. The Company also entered into a services agreement with OANDA Canada dated December 11, 2006. Under this agreement, OANDA Canada's business consulting and systems integration and technology groups provided services to the Company in return for fees on a cost-plus reasonable margin basis. OANDA Canada's business consulting group provided customer relationship, funds management, accounts administration, compliance, trading, product management, executive management, finance, human resources, sales and marketing services. OANDA Canada's systems integration and technology group provided solutions that span the entire software life cycle, including consulting, design, development, maintenance, systems integration and implementation and infrastructure management services.

The Company entered into a services agreement with OANDA Asia Pacific Pte. Ltd. (OANDA Asia), a related party, on April 1, 2014. Under this agreement, the Company's business consulting group provided services to OANDA Asia in return for fees on a cost-plus reasonable margin basis. During the year, the Company's business consulting group provided executive management, legal, finance and marketing services to OANDA Asia. As part of this agreement, OANDA Asia also provides customer funds management and support services to the Company for fees on a cost-plus reasonable margin basis.

(expressed in US dollars)

The Company entered into a services agreement with OANDA Europe, a related party, on January 1, 2016. Under this agreement, the Company's business consulting group provided services to OANDA Europe in return for fees on a cost-plus reasonable margin basis. During the year, the Company's business consulting group provided executive management, legal, finance and marketing services to OANDA Europe. As part of this agreement, OANDA Europe also provides executive management, finance and marketing services to the Company for fees on a cost-plus reasonable margin basis.

The Company entered into a services agreement with OANDA Australia, a related party, on January 1, 2016. Under this agreement, the Company's business consulting group provided services to OANDA Australia in return for fees on a cost-plus reasonable margin basis. During the year, the Company's business consulting group provided executive management, legal, finance and marketing services to OANDA Australia. As part of this agreement, OANDA Australia also provides systems integration and technology services to the Company for fees on a cost-plus reasonable margin basis.

The Company entered into a services agreement with OANDA Japan Inc. (OANDA Japan), a related party, on January 1, 2016. Under this agreement, the Company's business consulting group provided services to OANDA Japan in return for fees on a cost-plus reasonable margin basis. During the year, the Company's business consulting group provided executive management, legal, finance and marketing services to OANDA Japan.

The Company entered into a services agreement with OANDA Poland SP.Z.O.O (OANDA Poland), a related party, on January 1, 2020. Under this agreement, OANDA Poland's business consulting group provided finance, onboarding, marketing, system integration and technology services to the Company on a cost-plus reasonable margin basis.

The Company entered into a services agreement with OANDA Global Markets Limited (OANDA Global Markets), a related party, on June 1, 2020. Under this agreement, the Company's business consulting group provided services to OANDA Global Markets in return for fees on a cost-plus reasonable margin basis. During the year, the Company's business consulting group provided executive management, legal, finance and marketing services to OANDA Global Markets.

The Company entered into a services agreement with OANDA Europe Markets Limited (OANDA Europe Markets), a related party, on December 1, 2020. Under this agreement, the Company's business consulting group provided services to OANDA Europe Markets in return for fees on a cost-plus reasonable margin basis. During the year, the Company's business consulting group provided executive management, legal, finance and marketing services to OANDA Europe Markets. As part of this agreement, OANDA Europe Markets also provides executive management services to the Company for fees on a cost-plus reasonable margin basis.

The Company entered into a services agreement with Dom Maklerski TMS Brokers S.A. (TMS), a related party, on May 20, 2021. Under this agreement, TMS provides executive management, legal and finance services to the Company for fees on a cost-plus reasonable margin basis.

The Company also entered into a services agreement with OANDA Markets Europa GmbH (OANDA Markets Europa) on January 1, 2020 for finance services which OANDA Markets Europa provides to the Company for fees on a cost-plus reasonable margin basis.

The Company entered into a services agreement with OANDA Business Information & Services Inc. (OANDA Business Information & Services) on August 1, 2020. Under this agreement OANDA Business Information and Services provides legal services to the Company for fees on a cost-plus reasonable margin basis.

(expressed in US dollars)

The Company entered into a "Global Residual Profit Split Method Agreement" with OANDA Canada, OANDA Europe, OANDA Asia, OANDA Australia, OANDA Japan, OANDA Hong Kong, Ltd., OANDA India Pvt. Ltd., OANDA Poland and OANDA Markets Europa on January 1, 2020; OANDA Global Markets on May 15, 2020; OANDA Malta Holdings Ltd. on June 8, 2020; OANDA Europe Markets on June 11, 2020; and TMS on April 1, 2021 (collectively the "Parties"). Under this agreement, the Company shares allocation of profits with the Parties.

Under the "Trading Platform License, Support & Profit Sharing Agreement" entered into by the Company with OANDA Canada (dated January 1, 2008), OANDA Asia (dated January 1, 2009), OANDA Europe (dated April 1, 2010), OANDA Australia (dated February 28, 2012), OANDA Japan (dated June 1, 2013), and OANDA Europe Markets (dated December 1, 2020) (collectively, the "Trading Entities"), the Company agreed to license its trading platform and the "OANDA" trademark for the purpose of the Trading Entities offering an internet-based foreign exchange and CFD trading platform to its customers. By licensing the platform, each OANDA Trading Entity is charged a license fee as well as allocated trading revenue based on their trading activity in accordance with the group wide transfer pricing policies. As part of the license agreement, OANDA Canada and OANDA Australia has the ability to hedge customer positions with the Company. If the OANDA Trading Entity hedges its own customer trading positions with the Company, a hedging gain or loss is recognized by the Company on the trade. The Company also entered into an exchange rate subscription agreement with OANDA Business Information & Services on August 1, 2020. Under this agreement the Company provides the exchange rate subscription service to OANDA Business Information & Services.

Effective March 1, 2021, OANDA Australia stopped hedging remaining portions of its client's crypto positions back-to-back with the Company.

Effective July 1, 2021, OANDA Canada stopped hedging its client's metal positions back-to-back with the Company.

As at December 31, 2021, the Company had a payable to its Parent for $197,707 in relation to a cash settlement of a derivative contract entered into by its Parent which was paid into the Company's bank account. This amount is included in due to related parties in the Consolidated Statement of Financial Position.

(expressed in US dollars)

The carrying amount of amounts due from related parties as at December 31, 2021 are:

			2021 $
	Due from Related Parties	**Due to related Parties**	**Net Amount**
OANDA Europe	2,461,900	(2,394,451)	67,449
OANDA Asia Pacific	2,556,665	(2,083,924)	472,741
OANDA Australia	-	-	-
OANDA Japan	1,236,519	(10,243)	1,226,276
OANDA Global Corporation	-	-	-
OANDA Markets Europa	4,280	(3,039)	1,241
OANDA Poland	-	-	-
OANDA Global Markets	-	-	-
OANDA Europe Markets	-	-	-
OANDA Business Information	115,508	(89,841)	25,667
OANDA Canada	2,782,490	(2,212,434)	570,056
OANDA Malta Holdings	9,669	-	9,669
TMS	209,308	(12,690)	196,618
Total	9,376,339	(6,806,622)	2,569,717

(expressed in US dollars)

The carrying amount of amounts due to related parties as at December 31, 2021 are:

			2021 **$**
	Due from Related Parties	**Due to related Parties**	**Net Amount**
OANDA Europe	-	-	-
OANDA Asia Pacific	-	-	-
OANDA Australia	345,643	(579,461)	(233,818)
OANDA Japan	-	-	-
OANDA Global Corporation	18,212	(215,919)	(197,707)
OANDA Markets Europa	-	-	-
OANDA Poland	37,156	(475,237)	(438,081)
OANDA Global Markets	368,213	(1,678,748)	(1,310,535)
OANDA Europe Markets	209,661	(299,539)	(89,878)
OANDA Business Information	-	-	-
OANDA Canada	-	-	-
OANDA Malta Holdings	-	-	-
TMS	-	-	-
Total	978,885	(3,248,904)	(2,270,019)

(expressed in US dollars)

10 Other assets

The Other assets balance in the Consolidated Statement of Financial Condition consists of the following:

	2021 **$**
Prepaid expenses	2,156,126
Security deposits with payment processor and vendors	35,567
Payment processor receivable	324,591
Other	105,551
	2,621,835

11 Income taxes

As a U.S. incorporated entity, the Company is subject to U.S. taxation on its worldwide income. The Company's effective income tax rate is primarily a blend of the U.S. Federal and state tax rates.

During the year ended December 31, 2021, the Company utilized foreign tax credits to offset U.S. taxes payable in 2021 and 2020 of $129,449-and $1,098,761, respectively.

The Company conducted a number of transactions with related parties throughout the year, most of which were governed by transfer pricing policies adopted by OGC to ensure that the prices charged in such transactions are those that management, in its estimation, believes are consistent with prices between arm's length parties. Certain assumptions and judgement have been used in developing these policies. These policies are subject to review by tax authorities, which may cause the actual amount of tax expense to differ from the amount recognised in the financial statement.

(expressed in US dollars)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities are as follows:

	2021 $
Deferred tax assets:	
Unrealized foreign exchange loss	173,476
Net operating losses and tax credits	117,937
Netted against deferred tax liabilities in the same jurisdiction	(291,413)
Deferred tax assets	-
Deferred tax liabilities:	
Capital assets	323,805
Intangible assets	622,821
Financial statement reserves	413,009
Netted against deferred tax assets in the same jurisdiction	(291,413)
Deferred tax liabilities	1,359,635
Net deferred tax liabilities	1,068,222

The Company has not recognized a temporary difference associated with investment in its subsidiary as the Company ultimately controls whether the liability will be incurred, and it is satisfied that it will not be incurred in the foreseeable future. The Company determined that it was not practicable to estimate the amount of the unrecognized deferred tax liability due to the complexity of the multi-national tax environment in which the Company operates, inherent intricacies related to the computation of inside/outside basis differences in multiple taxing jurisdictions with differing currencies and tax regulations. The amount of the unrecognized deferred tax liability for temporary differences related to investment in a foreign subsidiary is deemed to be essentially permanent in duration. Dividends declared would be subject to withholding tax at 15%.

The earliest year of expiry for the Company's U.S. foreign tax credits of $1,196,810 is 2024. The Company believe that it is more likely than not that a portion of these foreign tax credits will not be realized prior to their expiry. As such, the Company has provided a valuation allowance of $1,091,892. This amount represents the full amount of the foreign tax credits set to expire in 2024. If or when recognized, the tax benefits related to any reversal of the valuation allowance on deferred tax assets as of December 31, 2021, will be recognized as a reduction of income tax expense.

The Company and its subsidiary file income tax returns in the U.S., India, and various state jurisdictions.

12 Stock-based compensation

On October 14, 2018, Plutus established a stock-based payment incentive plan for certain employees of the Company. This incentive plan permitted the grant of stock-based payment awards to employees or directors of

(expressed in US dollars)

the Company or OGC and its other related parties. Under the plan, Plutus can grant the following number of units by series, 2,500 series B, 18,589 series C and 9,784 series D. Each group of units contain specific vesting conditions which may include the sale of OGC and various other non-market vesting conditions, such as time-based vesting and vesting according to the achievement of certain return thresholds by CVC through its investment in Plutus. There are 164,800 series A units outstanding and issued to parties, being primarily CVC, that invested capital in Plutus.

Series B units issued during the period vested immediately on issuance and cannot be cancelled or forfeited. Series B unit holders are not eligible to receive proceeds until all series A holders have received a full return on their capital and debt invested. There are 164,800 series A units outstanding and issued to those parties, being primarily CVC, that invested capital in Plutus. Series C units contain both time and non-market performance based vesting conditions. The time based vesting condition accounts for 30% of the unit award granted and has a 5 year term with 20% vesting on the first anniversary date of the grant and 5% quarterly thereafter. The performance based vesting condition accounts for 70% of the unit award granted and vests based on the achievement of non-market performance conditions that are directly affected by the proceeds and returns arising from a potential sale of Plutus' investment in the Company. Series D units contain performance based vesting conditions similar to series C but with a higher threshold of conditions to be met.

The fair value of each award is estimated on the date of grant using a Monte-Carlo based simulation model to determine the future exit value of OGC, related proceeds on sale, and the probability weighted timing of such an event. The Monte-Carlo model uses assumptions, including projected financial results, volatility, expected life or timing of an exit event, and risk-free rates. Share-based compensation cost is recognized as an expense over the defined and estimated vesting period as the case may be.

The key assumptions used in determining the fair value of share-based payment awards granted by Plutus in 2021 are as follows:

	%
Expected price volatility	40-45
Risk-free interest rate	0.29 – 0.75
Expected forfeiture rate	24 – 32

(expressed in US dollars)

The following table summarizes award activity for each series under the Plutus incentive plan during the year ended December 31, 2021 that relates to the Company's employees.

	2021 **$**
Series B units	
Outstanding, December 31, 2020	1,845
Issued	-
Outstanding, December 31, 2021	1,845

	2021 **$**
Series C units	
Outstanding, December 31, 2020	214.5
Issued	400
Cancellations	-
Outstanding, December 31, 2021	614.5

	2021 **$**
Series D units	
Outstanding, December 31, 2020	-
Issued	200
Cancellations	-
Outstanding, December 31, 2021	200

The weighted average estimated fair value of awards granted, in aggregate, under this plan during 2021 was $483.64. As at December 31, 2021, there was $124,258 unrecognized stock-based compensation expense for awards granted under the Plutus incentive plan. That cost is expected to be recognized over a weighted average period of 2.6 years.

The Company does not recognize a tax benefit related to the incentive plan; consequently, no deferred tax assets are recorded related to the compensation attributable to relevant employees.

(expressed in US dollars)

13 Share Capital

	2021 $
Authorised and issued:	
$0.01 par value, 1,000 shares	10

In 2021, the directors of the Company declared dividends of the Company's excess cash, as determined by the Company, to its Parent. Dividends on the Company's common stock were declared and paid in 2021 in the aggregate amount of $7,250,000.

14 Contingencies

In the normal course of operations, the Company is subject to litigation and claims from time to time. The Company may also be subject to lawsuits, investigations and other claims, including income and sales tax, customer disputes and other matters. Where available information indicates that it is probable a liability had been incurred at the date of the financial statement and the Company can reasonably estimate the amount of that loss, the Company accrues the estimated loss by a charge to income. In many proceedings, however, it is inherently difficult to determine whether any loss is probable or even reasonably possible or to estimate the amount of any loss. In addition, even where loss is possible or an exposure to loss exists in excess of the liability already accrued with respect to a previously recognized loss contingency, it is often not possible to reasonably estimate the size of the possible loss or range of loss. The Company believes that adequate provisions have been recorded in the accounts where required. Although it is not always possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse impact on the results of operations, financial position or liquidity of the Company.

Also, in the normal course of operations, the Company provides indemnifications, which are often standard contractual terms, to counterparties in transactions, such as service agreements, software licenses, leases and purchases of goods. Under these agreements, the Company agrees to indemnify the counterparty against loss or liability arising from the acts or omissions of the Company in relation to the agreement or other costs. The nature of the indemnifications in these agreements prevent the Company from making a reasonable estimate of the maximum potential amount that the Company could be required to pay such counterparties.

15 Restatement of opening stockholder's equity

The opening additional paid in capital balance has been adjusted by $3,311,784 to adjust for a reduction to amounts payable to the parent in respect of income tax balances allocated amongst the affiliated income tax filing group, which was not intended to be, nor will be, settled in cash.

16 Regulatory requirements

The Company is subject to the CEA minimum financial requirements (Regulation 1.17), which requires the Company to maintain a minimum level of adjusted net capital. As of December 31, 2021, the Company's adjusted net capital was $39,870,203 an excess of $10,671,699 over the required minimum.

(expressed in US dollars)

17 Subsequent events

The Company has evaluated its subsequent events since December 31, 2021 to the date the financial statement was issued, which was March 8, 2022. No subsequent events were identified.