

# Bottomline Technologies Limited

Report and Financial Statements

Year Ended

30 June 2022

Company Number 08098450

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# Bottomline Technologies Limited

Report and financial statements  
for the year ended 30 June 2022

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## County of incorporation and domicile

United Kingdom

## Legal form

Private company limited by shares

## Directors

P Auld  
P Fannon  
J Newman

## Registered office

1600 Arlington Business Park, Theale, Reading, Berkshire, RG7 4SA

## Company number

08098450

## Auditors

Ernst & Young LLP, R+ Building, 2 Blagrove St, Reading, RG1 1AZ

# Bottomline Technologies Limited

## Strategic report for the year ended 30 June 2022

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The directors present their strategic report together with the audited financial statements for the year ended 30 June 2022.

### Principal activity

The country of incorporation and domicile of Bottomline Technologies Limited is the United Kingdom.

The principal activity of the company continued to be the design, development, sale and support of secure payment and document management solutions and services.

Thoma Bravo LP, a software and technology sector private equity firm, completed acquisition of Bottomline Group in May 2022. The ultimate parent company is Thoma Bravo UGP, LLC, a company incorporated in United States of America.

### Review of the business and future developments

Turnover for the year was £95.1m (2021 - £90.8m) and the business made an operating loss for the year of £14.4m (2021 – profit of £12.8m). The operating results are stated after charging amounts of £13.2m (2021 - £3.8m) relating to share-based payment expenses due to accelerated vesting after acquisition by Thoma Bravo LP, amount of £12.0m relating to management fees (2021 - £5.3m), as well as a £7.5m loss on impairment of Bottomline owned office building in Theale. These are the main factors that drive the Company's administrative expense being increased by 48% in FY22. Despite the above, strong growth of subscription and transaction revenue on PTX product continues to be the main driver to the growth of turnover by 10%. The loss on ordinary activity before tax was £16.8m as compared to £11.4m profit in the previous year.

The directors use a number of key performance indicators ("KPI's") to monitor the business such as sales pipeline development, gross margin, operating margin, the level of annual recurring revenue ("ARR") sales generated, the level of traditional license and services sales and non-financial measures such as customer satisfaction. These KPI's are reviewed monthly by senior managers and directors of the business.

The gross margin for the year was 88% (2021 - 87%). The increase in margin continues to be a result of the reduction in the amount of Bottomline Technologies costs in the form of royalties paid to Chatham Street Technologies Limited, a related UK company, for the use of intellectual property rights in its software product offering. The push into ARR revenue is expected to provide a stable predictable revenue stream, and the business continues to be strongly cash generative. These factors provide a foundation for continued investment in product and market development. Alongside this, the business continues to focus on targeted expense reduction and process efficiencies to further drive value.

Research and development activities are concentrated on the development of new generation payments solutions and document process automation solutions, as well as new software as a service ("SaaS") based offerings.

Underpinning performance is the business' commitment to customer satisfaction and ensuring that the correct training and structures are in place to ensure this continues. The directors believe that the business model remains robust and that it will continue to deliver organic growth in revenues and operating profits. Based on the ongoing monitoring of KPIs, future forecasts and the level of trade after the statement of financial position date, the directors believe that the prospects for the company are good. The company are seeing overall revenue growth of 4% (2021 - 6%), excluding intercompany revenue. This growth rate is 10% (2021 - 17%) on subscriptions revenue which is the one of the main KPIs for the company. The directors are mindful of the current economic climate and believe the company's financial position and business model will provide continued opportunity.

Following Thoma Bravo's acquisition, a new group-level executive leadership team determined that there was a more efficient and effective way to organise the company. A new functional and segment structure was implemented. Thus, a reorganisation/restructuring followed in August/September 2022 resulting in 56 out of 586 full time employees being made redundant during this process across the whole Company.

# Bottomline Technologies Limited

## Strategic report for the year ended 30 June 2022 (continued)

This business review contains certain forward-looking statements that have been made by the directors in good faith based on the information available to them at the time of the approval of the annual report and accounts. By their nature, such forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Actual results may differ from the results considered likely in such statements, depending on a variety of factors such as the level of corporate spending on IT investment in the main territories in which the company does business and on the company's continuing ability to compete in these markets and to secure the sales necessary to meet its revenue targets.

### Principal risks and uncertainties

The principal risks and uncertainties facing the company fall into the following categories:

#### *Credit risk exposure:*

The company endeavours to minimize the risk of financial loss caused by third parties failing to discharge an obligation by only granting credit terms to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures and limiting the value of credit extended.

#### *Liquidity risk:*

The company mitigates liquidity risk by managing cash flow generation throughout its operation and by applying cash collection procedures. Cash flow risk is managed by careful negotiation of terms with customers and suppliers.

#### *Competition:*

Through continual product improvement and development of new products, the company provides products that are competitive in the market.

#### *Suppliers:*

The company carefully selects suppliers who can consistently supply a high-quality service or product.

#### *COVID-19 and its variants:*


The company considered the continuing effects of outbreak of contagious diseases, including the COVID-19 pandemic and its variants on the going concern status of the Company. As a software company, our ability to support our customers has not been impacted by a work-from-home model.

#### *Russian/Ukraine War and cost of living crisis/inflation:*

Bottomline group, along with other UK businesses, face the impact of the Russian/Ukraine War and also the cost-of-living crisis/inflation. Our customers are located around the world. Their financial situation could be impacted by these events. Our ability to collect against existing trade receivables may be exposed to risk, so that the potential collection period may be extended. Bottomline Technologies Limited is not adversely affected by these events.

### Approval

This strategic report was approved on behalf of the Board on 25 May 2023.

  
Jane Newman (May 25, 2023 10:46 GMT+1)

J Newman

Director

May 25, 2023

# Bottomline Technologies Limited

## Section 172 Statement for the year ended 30 June 2022

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Bottomline Technologies Limited is required to make a statement providing information on how the Company performs their duty under section 172 of the Companies Act 2006. This 'S172 statement' ("S172"), explains how Bottomline directors engage with employees, suppliers, customers, and others. In the statements below, noting the directors' duty under S172 to act in good faith to promote the success of the Company for the benefit of its shareholders, but having regard amongst other matters to the following:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to treat fellow members of the Company with fairness.

### Our principles

Customer delight is the driving mantra of our business and it leads our guiding principles. It defines our innovation to address new opportunities and solve real problems now, anticipating ones that customers don't even know they have. It drives who and how we hire to create world-class products and experiences that help businesses and financial institutions pay and get paid.

Bottomline is at the forefront of making complex business payments simple, smart and secure. We help hundreds of companies in the UK and EMEA regions.

At our core we share ideas, innovate together and support each other personally and professionally. It is through our guiding principles that we achieve our common goal of exceeding expectations and delighting customers.

### Long term decisions

When making decisions the Board seeks to understand the impact on each of its stakeholders, including the likely consequences of a decision in the long term, while acknowledging that a decision will not necessarily be favourable for all stakeholders. The directors understand the business and the evolving environment in which we operate. We anticipate that the markets in which we compete will continue to attract new competitors and new technologies. If we fail to enhance our current products and develop new, innovative solutions, or if we fail to bring new solutions to market quickly enough, our products could become less competitive; thus, the Company's long-term strategy is that of continuous research and development and innovation. To this end, we foster an environment that encourages open communication among all levels of our team by encouraging team members to lead from where they stand and be a role model regardless of title or seniority.

During FY22, the Company continued to invest in a global product platform (BTIQ) to enable clients to access a range of Bottomline product capabilities from one integrated platform. The first release of UIs (user interfaces) for customers to manage their organization, roles and users is completed, and is pending deployment in production.

### Employees

#### Equal Opportunity Policy & diversity

Our Equal Opportunity Policy helps to ensure that all employment decisions are solely based on valid job requirements regardless of race, colour, religion, national origin, sex, age, veteran status, disability, or other legally protected statuses. We believe that our differences make us stronger - and that our creativity and innovation are strengthened when different perspectives are represented and valued. We are committed to fostering inclusive workplace which includes hiring, retaining, and developing all individuals, and ensure that all employees feel safe and are treated fairly with dignity and respect.

# Bottomline Technologies Limited

## Section 172 Statement for the year ended 30 June 2022 (continued)

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### Our employees

Our annual employee engagement survey is facilitated by an independent third party. In this survey, we ask employees to provide honest feedback on working locations, environment and identify opportunities for improvement. The survey indicated that the majority of the employees prefer to remain working remotely. Hence, we listen to the voice from our people and adopt hybrid working model post pandemic. We aggregate the results and then report and share, before addressing accordingly to ensure employees remain engaged and heard.

The best ideas, innovations and solutions come from creative minds coming together, teams that feel supported and celebrated and rally around one another to create great work. This is the Bottomline approach.

### Employee development

We realise that the best work comes from an environment that fosters creativity and innovation. We remain committed to providing our employees with opportunities and resources that make it possible to work successfully and creatively, while also investing in their professional and personal development.

Our employees are most successful when they are well prepared to deliver, lead, and inspire. We use a variety of channels and platforms to provide training and education to our employees. Learning initiatives range from interactive business updates and compliance program (such as our Ethical and Anti-Harassment trainings) to role-specific development for managers, sales staff, professional services, engineering personnel and more.

### Employee benefits

We recognise that work is just a fraction of our employees' lives, and we foster an environment that promotes vitality, support, and balance. We maintain a competitive suite of benefits to improve our team's lives at work and at home. We provide our employees with a variety of health and wellness-related resources to ensure that each individual has the opportunity to become their "best self". Being your best self requires physical, mental, and emotional wellbeing, which we install throughout a variety of wellness initiatives including: online regular yoga sessions, mental health online workshops, and continuously providing Employee assistance programmes (EAP), an employee benefit that offers team with support and practical advice on issues that might be impacting their wellbeing and performance via telephone or online.

Bottomline maintains an anonymous Employee Ethics "Whistleblowing" 'Hotline' and encourages employees to report any concerns relating to breach of the code of business ethics and conduct, including any circumstances which may give rise to an enhanced risk of human rights concerns. The policy is designed to enable confidential disclosures without fear of retaliation. Any breach of the code can also be reported directly to the Company's parent company, President and Chief Executive Officer, Craig Saks.

### Business relationships

#### Our customers

Bottomline strives to work with our customers to assist them with cost reduction, competitive differentiation, and optimisation of working capital. Examples include, automation of entire Accounts Payable cycles, financial messaging flows, using AI to detect fraud, or designing intelligent engagement platform for banks. Customers trust these solutions which are proven to optimise business transactions, automate payment processes, manage global cash management, prevent fraud, and ultimately help them focus resource instead on growth. We offer trusted products and solutions transforming business payments and processes for companies and financial institutions around the world obsessed with removing complexity, automating and digitising all that is possible.

Customer delight is at the heart of who we are. It informs all we do, from bringing product innovation to our customers before they ask for it (or think of it) to making sure every interaction exceeds their expectations.

The Company adheres to a voluntary commitment to recognised best payment practice. This involves the Company paying their suppliers within clearly defined terms and committing to ensuring that there is a proper process for dealing with any issues that might arise. The Company commits to paying 95% of invoices within 60 days.

# Bottomline Technologies Limited

## Section 172 Statement for the year ended 30 June 2022 (continued)

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Key suppliers are involved in the development and delivery of Bottomline products and services and are contractually obligated to comply with all applicable laws and regulations, Modern Slavery Act requirements and Bottomline policies for business conduct and ethics.

### The community and the environment

Despite UK staff working remotely, Bottomline continued to organise charity collections/donations during monthly virtual staff events. The Charities helped in this way include both local and national organisations. The Company also sets performance objectives which if met allow the successful staff to choose the charities to which Bottomline will make specific quarterly donations to.

### Climate action

We believe that being ethical and sustainable is key to climate action. We thus strive to reduce our energy consumption within our office locations and employ a variety of measures to improve efficiency. We utilise free cooling (cold water) for our data centres and intermediate distribution frame (IDF) closets as an energy-efficient alternative to traditional mechanical cooling.

### Energy efficiency

In our Theale office, we invested in and installed a solar panel system which can either produce electricity or heat energy. This gives us a 'greener' alternative to traditional forms of power as these do not pollute during operation and thus reduce our emission of carbon dioxide. We promote the use of public transport to staff who are required/willing to come to the office by providing, in the office, live train departure information to listed locations. The Company also provides a cycle to work scheme. These both combine to reduce reliance on fossil fuels.

### Customer sustainability

Bottomline works with organizations of all sizes to manage financial and business risk, as well as to better understand ways to manage the growing environmental risks of data, the issue being the carbon footprint of data storage. When it comes to sustainability, this is one of the greatest impacts we can make to help thousands of customers manage their data more efficiently, thereby decreasing the energy use, emissions, and associated costs. For example, our FDA (Financial Data Automation) product has helped our customers to go paperless and contribute to protecting the environment going forward. Therefore, we are proud to pursue innovative solutions that reduce the demand for physical infrastructure to find new ways to reduce the carbon footprint of their data while meeting the needs of their organization.

## Fairness

### Code of Business Conduct and Ethics

Our Code of Business Conduct and Ethics clarifies the actions and behaviour expected of all Bottomline employees. We require all employees, directors, vendors and other third parties who work on our behalf to uphold the highest standards of professional and ethical behaviour. All employees are required to complete their Initial Code of Conduct training and maintain annual certification.

### Engaging our stakeholders

Our culture of innovation is fuelled by collaboration. Progress isn't feasible without the representation, constructive dialogue, and meaningful engagement of our stakeholders, including our employees, customers, and shareholders. We strive to promote an environment of transparency and trust and maintain various engagement procedures to solicit input, calibrate performance and maximise our impact.

As a company operating in a global market, we recognise our obligation to uphold and install the ethical treatment of all persons working on our behalf. We strictly adhere to all applicable corporate laws and practices fundamental to our business.

# Bottomline Technologies Limited

## Report of the directors for the year ended 30 June 2022

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The directors present their report together with the audited financial statements for the year ended 30 June 2022.

### Results and dividends

The Statement of comprehensive income is set out on page 12 and shows the loss for the year.

No dividends were paid in this financial year (2021 – £18,141,480).

### Going concern

The directors of the company have reviewed and considered the 'going concern' and 'liquidity risk' literature concerning organisations in circumstances similar to the Company.

The directors have reviewed management accounts available to date and forecast information available through to 31 May 2024. The Company conducted forecasts and applied stress testing to those scenarios for the period to 31 May 2024. In these stress tests, it was observed that revenue cash inflows would need to significantly reduce over the period before management would need to take action to intervene.

The conclusion reached was that sufficient financial resources existed within the Company to meet its liabilities over the forecast period.

Furthermore, the directors have considered the continuing effects of the COVID-19 pandemic and its variants on the going concern status of the Company. The impact of the Russian/Ukraine War and the cost-of-living crisis, particularly high inflation have also been considered by the Company. The Company is well positioned to continue to withstand this, given that our third-party expenses are for services rather than physical products, therefore we are less exposed to the current impact of inflation. Further details regarding the risks to the Company can be found in the strategic report.

### Directors

The directors of the company during the year, and to the date of this report were:

H Dharwar (resigned on 1 February 2023)  
N K Savory (resigned on 8 October 2022)  
D Sheer (resigned on 1 January 2022)  
A Bowden (appointed on 7 February 2022 and resigned on 27 May 2022)  
P Auld (appointed on 7 February 2022)  
P Fannon (appointed on 7 February 2022)  
J Newman (appointed on 1 February 2023)

The company maintains a directors and officers insurance policy as permitted by Companies Act 2006. The insurance policy remains in force at the date of approving the directors' report.

### Research and development

Research and development activities are concentrated on the development of new generation payments solutions and document process automation solutions, as well as new software as a service (SaaS) based offerings.

### Equal opportunities policy

The company seeks to be an Equal Opportunity Employer and will ensure that there is no discrimination against anyone applying for employment for a job, or whilst in our employment, for reasons of gender, sexual orientation, marital status, creed, colour, race, nationality, ethnic or national origin, religion, belief, political opinion, age, or disability. The company will treat each individual in a fair and unbiased way in the assessment of their work, performance, and conduct.

# Bottomline Technologies Limited

## Report of the directors for the year ended 30 June 2022 (continued)

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### Employee communications policy

The company is committed to maintaining open and effective communications with all employees. Departments and business areas will have different practices for achieving this reflecting their particular size and structure but are consistent with the Communication Policy contained within the Company Handbook.

### Streamlined Energy and Carbon Report

A third party carried out a Streamlined Energy and Carbon assessment for the Company. The report shows that the emissions has significantly reduced on all measures due to the move to home working during pandemic. Here is the summary from the report:

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the consumption of fuel for the purposes of scope 1 owned transport is 0.67 tonnes CO<sub>2</sub>e (2021 – 9.02 tonnes).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the consumption of fuel for the purposes of grey fleet transport is 19.87 tonnes (2021 – 0.09 tonnes).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the combustion of gas is 1 tonnes CO<sub>2</sub>e (2021 – 5 tonnes).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by the company for its own use, (including for the purposes of transport) is 156 tonnes CO<sub>2</sub>e (2021 – 202 tonnes).

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the generation of electricity by the company for its own use, (including for the purposes of transport) is 11.80 tonnes CO<sub>2</sub>e (2021 – 12.71).

A figure, in kWh, which is the aggregate of the annual quantity of energy consumed from activities for which the company is responsible involving the combustion of gas or the consumption of fuel for the purposes of transport and the annual quantity of energy consumed resulting from the purchase of electricity by the company for its own use, including for the purposes of transport is 886,071kWh (2021 – 986,176kWh).

F gas leakage amounts to 1.48 tonnes CO<sub>2</sub>e (2021 – 0.41) from A/C units at the Unit 7 Rugby site.

The methodologies used to calculate the information disclosed above have been the Greenhouse Gas Protocol combined with consideration of ISO 14064. Government conversion factors for the year have been used throughout.

At least one ratio which expresses the company's annual emissions in relation to a quantifiable factor associated with the company's activities must be produced. For Bottomline, these intensity ratios are employee numbers 0.305 tonnes/employee and turnover 0.00000189 tonnes/£1 of turnover or 1.890 tonnes per £ millions of turnover.

The company aim to utilise their new BMS system and knowledge gained from the operation of the building during lockdown to improve the energy efficiency of the building. They also plan to establish the audit process known as ESOS phase 3 during the following year to gain a better understanding of their current energy and fleet use and garner opportunities to improve.

# Bottomline Technologies Limited

## Report of the directors for the year ended 30 June 2022 (continued)

### Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

### Responsibilities to auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.


A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the members at the forthcoming Annual General Meeting.

### Subsequent Events

Following Thoma Bravo's acquisition, a new group-level executive leadership team determined that there was a more efficient and effective way to organise the company. A new functional and segment structure was implemented. Thus a reorganisation/restructuring followed in August/September 2022 resulting in 56 out of 586 full time employees being made redundant during this process across the whole Company.

On 19 April 2023, the Company established a new Kosovo subsidiary with Parent Bottomline Technologies Ltd with initial share capital of €1,000. It is intended that the new Kosovo subsidiary will acquire the assets of the current Kosovo branch of another UK company within the group, Direct Debit Limited.

### On behalf of the Board

  
Jane Newman (May 25, 2023 10:46 GMT+1)

J Newman  
Director

Date 25 May 2023

## **Independent auditor's report to the members of Bottomline Technologies Limited**

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### **Opinion**

We have audited the financial statements of Bottomline Technologies Limited for the year ended 30 June 2022 which comprise Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 28, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2022 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the period through to 31 May 2024.

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

### **Other information**

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

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent auditor's report to the members of Bottomline Technologies Limited (continued)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

- adequate accounting records have not been kept or 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those related to the reporting framework (Companies Act 2006 and FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice)) and compliance with the relevant direct and indirect tax regulations in the United Kingdom. In addition, the company has to comply with laws and regulations relating to its operations including health and safety and GDPR.
- We understood how the company is complying with those frameworks by making enquiries of management and those charged with governance and gaining an understanding of the entity level controls of the company in respect of these areas. We corroborated our enquiries through our reading of board minutes.

**Independent auditor's report  
to the members of Bottomline Technologies Limited (continued)**

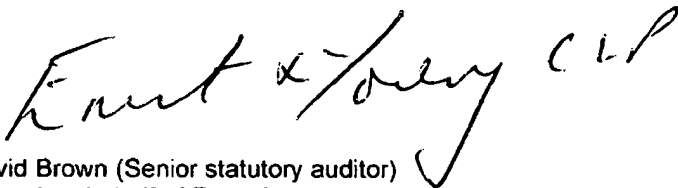
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- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and to respond to the assessed risks. Our procedures included verifying that material transactions are recorded in compliance with FRS 101 and where appropriate Companies Act 2006. Compliance with other operational laws and regulations was covered through inquiry with management and the directors, reading board minutes and correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance. We considered the procedures and controls that the company has established to address the risks identified, or that otherwise prevent, deter and detect fraud and gained an understanding as to how those procedures and controls are implemented and monitored. We focussed on the risk of management override and the posting of top-side journals to overstate revenue and the risk that management inappropriately overstates subscription revenue through the misclassification of non-subscription revenue as subscription revenue. In relation to management override through manual journals including non-standard journal to revenue we used data analytics to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, which we investigated further to gain an understanding and agreed to source documentation and appropriate approval. In respect of the risk of misclassification of non-subscription revenue as subscription revenue we selected a sample of revenue transactions recognised and performed detailed testing, including agreeing to source documentation, to validate that the revenue had been appropriately classified

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

**Use of our report**

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



David Brown (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading

Date:

25/05/2023

# Bottomline Technologies Limited

## Statement of comprehensive income for the year ended 30 June 2022

	Note	2022 £	2021 £
<b>Turnover</b>	3	<b>95,076,903</b>	90,817,789
Cost of sales		<b>(11,014,244)</b>	(11,620,036)
<b>Gross profit</b>		<b>84,062,659</b>	79,197,753
Administrative expenses		<b>(98,500,720)</b>	(66,375,848)
<b>Operating (loss)/profit</b>	4	<b>(14,438,061)</b>	12,821,905
Interest receivable and similar income	7	<b>657,329</b>	619,301
Interest payable	8	<b>(2,987,007)</b>	(4,930,583)
Finance cost	8	<b>(38,888)</b>	(49,206)
Waiving intercompany loan	9	-	2,914,924
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(16,806,627)</b>	11,376,341
Taxation credit/(charge) on loss/profit from ordinary activities	10	<b>2,005,471</b>	(2,739,116)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(14,801,156)</b>	8,637,225

All amounts relate to continuing activities.

The notes on pages 15 to 36 form part of these financial statements.

# Bottomline Technologies Limited

## Statement of financial position at 30 June 2022

<b>Company number 08098450</b>	<b>Note</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Non-current assets</b>					
Intangible assets	11		10,430,206		10,548,036
Tangible assets	12		18,925,070		28,552,030
Right-of-use assets	13		1,343,539		1,009,471
Investments	14		127,214,264		127,214,264
			<b>157,913,079</b>		<b>167,323,801</b>
<b>Current assets</b>					
Stocks	15	121,966		207,868	
Debtors:					
- due in less than one year	16	31,233,376		26,005,287	
- due in more than one year	16	34,175,427		33,909,316	
Cash at bank and in hand		24,761,074		23,189,335	
		<b>90,291,843</b>		<b>83,311,806</b>	
<b>Creditors: amounts falling due within one year</b>					
	17	(58,138,448)		(43,762,830)	
<b>Lease Liabilities, short term</b>					
	18	(962,823)		(566,926)	
<b>Net current assets</b>			<b>31,190,572</b>		<b>38,982,050</b>
<b>Total assets less current liabilities</b>					
			<b>189,103,651</b>		<b>206,305,851</b>
<b>Creditors: amounts falling due after more than one year</b>					
	19		(92,843,088)		(121,004,467)
<b>Provision for liabilities</b>					
	20		(131,153)		(127,359)
<b>Lease Liabilities, long term</b>					
	18		(446,378)		(551,056)
<b>Net assets</b>			<b>95,683,032</b>		<b>84,622,969</b>
<b>Capital and reserves</b>					
Called up share capital	22		29,421,299		29,421,298
Share premium	23		52,593,753		39,875,598
Capital contribution reserve			3,000,000		3,000,000
Profit and loss account			10,667,980		12,326,073
<b>Shareholders' funds</b>			<b>95,683,032</b>		<b>84,622,969</b>

The financial statements were approved by the Board of directors and authorised for issue on 25 May 2023.

Jane Newman (May 25, 2023 10:46 GMT+1)

J Newman  
Director

May 25, 2023

The notes on pages 15 to 36 form part of these financial statements.

## Bottomline Technologies Limited

### Statement of changes in equity for the year ended 30 June 2022

	Share capital £	Share premium £	Capital contribution reserve £	Profit and loss account £	Total equity £
<b>At 1 July 2021</b>	<b>29,421,298</b>	<b>39,875,598</b>	<b>3,000,000</b>	<b>12,326,073</b>	<b>84,622,969</b>
Loss for the year	-	-	-	(14,801,156)	(14,801,156)
Share capital & premium (Note 22 & 23)	1	12,718,155	-	-	12,718,156
Share-based payments	-	-	-	13,143,063	13,143,063
<b>Total comprehensive income</b>	<b>1</b>	<b>12,718,155</b>	<b>-</b>	<b>(1,658,093)</b>	<b>11,060,063</b>
<b>30 June 2022</b>	<b>29,421,299</b>	<b>52,593,753</b>	<b>3,000,000</b>	<b>10,667,980</b>	<b>95,683,032</b>
At 1 July 2020	29,421,298	39,875,598	3,000,000	18,141,480	90,438,376
Profit for the year	-	-	-	8,637,225	8,637,225
Share-based payments	-	-	-	3,688,848	3,688,848
Total comprehensive income	-	-	-	12,326,073	12,326,073
Dividends paid	-	-	-	(18,141,480)	(18,141,480)
<b>30 June 2021</b>	<b>29,421,298</b>	<b>39,875,598</b>	<b>3,000,000</b>	<b>12,326,073</b>	<b>84,622,969</b>

The notes on pages 15 to 36 form part of these financial statements.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022

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## 1 Accounting policies

### *Basis of preparation*

The financial statements have been prepared in accordance with Financial Reporting Standard ("FRS") 101 'Reduced Disclosure Framework'. The principal accounting policies adopted in the preparation of the financial statements are set out below. The financial statements have been prepared on a historical cost basis and are in accordance with applicable accounting standards.

### *Disclosure exemptions adopted*

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- certain disclosures regarding the Company's capital;
- exemption from IAS 7 Statement of Cash Flow has been applied;
- the effect of future accounting standards not yet adopted;
- the disclosure of the remuneration of key management personnel; and
- disclosure of related party transactions with other wholly owned members of the group headed Bottomline Technologies Inc.

In addition, and in accordance with FRS 101 further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of the group. These financial statements do not include certain disclosures in respect of:

- share-based payments;
- financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value);
- fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value); and
- impairment of assets.

The financial statements of Bottomline Technologies Inc. can be obtained as described in note 28.

### *Exemption from preparation of consolidated financial statements*

The financial statements contain information about Bottomline Technologies Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of Bottomline Technologies Inc., a company incorporated in the United States of America. The consolidated financial statements of Bottomline Technologies Inc. are available to the public and may be obtained from 325 Corporate Drive, Portsmouth, NH 03801, United States of America.

### *Presentational currency*

The currency used in the presentation of these financial statements is British Pound Sterling.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2022 (continued)

### 1 Accounting policies (continued)

#### *Judgements and key areas of estimation uncertainty*

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires the Company's directors to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

The following principal accounting policies have been applied:

#### *Revenue recognition*

The Company recognises revenue as it transfers goods and services to customers, at amounts it expects to receive as consideration under enforceable contractual arrangements. Revenue is recognised as contractual performance obligations are satisfied, which can occur either at a point in time or over time. This is according to a five-step model that involves identifying the contract with a customer, identifying the performance obligations in the contract, determining the transaction price, allocating the transaction price to the contractual performance obligations, and recognising revenue as the performance obligations are satisfied.

#### **Subscriptions and transactions**

Revenue for fixed subscription fees is recognised ratably over the non-cancelable term of the contract, commencing on the date the customer has access to the solution. In circumstances where certain requirements are met to allocate variable consideration to a distinct service within a series of related services, the variable consideration is allocated to each distinct period of service within the series. If those requirements are not met, an estimate of variable consideration is included in the transaction price and recognised ratably over the non-cancelable term of the contract.

#### **Software licenses**

Software licenses revenue reflects fees that are charged to license software on a perpetual basis. For software licenses that do not include significant customization, revenue is recognised at the point in time where the customer has obtained access to the intellectual property and the license period has commenced.

#### **Service and maintenance**

The software licenses are generally sold with post-contract support which is comprised of technical support and unspecified software upgrades. Unspecified upgrades refer to software upgrades which are made available at the Company's discretion and from time-to-time, on a "when and as available" basis. The post-contract support is accounted for as a stand-ready performance obligation, and revenue recognised ratably over the non-cancelable contract term which is typically one year.

#### **Hardware and other supplies**

Other revenue is derived from the sale of equipment and supplies and is recognised at the point in time control transfers to the customer.

#### **Contract assets and liabilities**

Accounts receivable include amounts related to our contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced. Contract assets arise when revenue is recognised in excess of the amount billed to the customer and the right to payment is contingent on conditions other than simply the passage of time, such as the completion of a related performance obligation. Contract assets are classified in the statement of financial position as current assets for those contract assets with amortisation periods of one year or less and non-current assets for contract assets with amortisation periods greater than one year. Deferred revenue consists of billings or customer payments in excess of amounts recognised as revenue.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

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## 1 Accounting policies (continued)

### Contract costs

Incremental costs incurred in connection with obtaining a contract are capitalised if they have a period of benefit that is greater than one year, and the costs are expected to be recovered through future contract revenues. Incremental costs incurred to obtain a contract relate to sales commissions. Costs incurred in fulfilling a contract are also capitalised when the costs relate directly to a specifically identifiable customer contract, when the costs generate or enhance resources that will be used to satisfy performance obligations in the future and when costs are expected to be recovered through future contract revenues.

Capitalised costs are amortised on a basis consistent with the transfer of the goods or services to which the asset relates. This results in capitalised costs being recognised on a ratable basis over the estimated period of future benefit, which is generally five years. The future period of benefit is estimated considering the current contract term, the impact of estimated customer renewal terms and the estimated life of the technology solution underlying the contracts.

### Fixed assets

All fixed assets are initially recorded at cost. Cost comprises the purchase price and any direct costs incurred in bringing the asset to its location and condition for its intended use.

### Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets over their expected useful lives. It is calculated at the following rates:

Short leasehold improvements	-	over the shorter of 5 years and the length of the lease
Fixtures, fittings and equipment	-	3 to 6 years
Construction in progress	-	Not depreciated

The carrying values of tangible fixed assets are reviewed for impairment when events, or changes in circumstances, indicate the carrying value may not be recoverable. Depreciation commences when an asset is brought into use.

### Gains and losses on disposal of fixed assets

The profit or loss on the disposal of a tangible fixed asset is accounted for in the profit and loss account of the period in which the disposal occurs as the difference between the net sale proceeds and the carrying amount.

### Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2022 (continued)

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### 1 Accounting policies (continued)

#### *Research and development*

Expenditure on pure and applied research is charged to the Statement of comprehensive income in the year in which it is incurred.

Development costs are also charged to the Statement of comprehensive income in the year of expenditure, unless individual projects satisfy all of the following criteria:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the company is able to out-license or sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

In such circumstances the costs are carried forward and amortised over a period not exceeding 5 years commencing in the year the company starts to benefit from the expenditure

#### *Taxation*

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered), using the tax rates and laws that have been enacted or substantially enacted by the date of the statement of financial position.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled or recovered.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the average rate ruling during the month in which the transaction occurs. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2022 (continued)

### 1 Accounting policies (continued)

#### *Intangible assets*

Externally acquired intangible assets other than goodwill are initially recognised at cost and subsequently amortised on a straight-line basis over their useful economic lives where they are in use. The amortisation expense is included within the administrative cost in the Statement of comprehensive income. Internally generated assets are initially recognised at cost and subsequently amortised on a straight-line basis.

The amounts ascribed to intangibles recognised on business combinations are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the company, their useful economic lives and the methods used to determine the cost of intangibles acquired in a business combination are as follows:

<b>Intangible asset</b>	<b>Useful economic life</b>	<b>Valuation method</b>
Technology	10 years	Income Approach
Customer relationships	7 years	Income Approach

#### *Impairment of non-financial assets*

Impairment tests on goodwill and other intangibles with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Impairment charges are included in the Statement of comprehensive income, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is reversed in a subsequent period if, and only if, the reasons for the impairment have ceased to apply.

#### *Investments*

Investments are stated at historic cost less any permanent diminution in the value of the investment.

#### *Going concern*

The directors have reviewed management accounts available to date and forecast information available through to 31 May 2024. The Company conducted forecasts and applied stress testing to those scenarios for the period to 31 May 2024. In these stress tests, it was observed that revenue cash inflows would need to significantly reduce over the period before management would need to take action to intervene.

The conclusion reached was that sufficient financial resources existed within the Company to meet its liabilities over the forecast period.

Furthermore, the directors have considered the continuing effects of the COVID-19 pandemic and its variants on the going concern status of the Company. The impact of the Russian/Ukraine War and the cost-of-living crisis, particularly high inflation have also been considered by the Company. The Company is well positioned to continue to withstand this, given that our third-party expenses are for services rather than physical products, therefore we are less exposed to the current impact of inflation. Further details regarding the risks to the Company can be found in the strategic report.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2022 (continued)

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### 1 Accounting policies (continued)

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the Statement of comprehensive income in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

#### *Share-based payments - equity settled transactions*

The Company participated in a group wide share-based scheme providing shares in fellow group company BT Inc. previously traded in NASDAQ. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting periods, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by an external valuer using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions).

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied. At each year end before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions, number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous statement of financial position date is recognised in the Statement of comprehensive income, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified, or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the Statement of comprehensive income for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the Statement of comprehensive income.

#### *Share capital*

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The company's ordinary shares are classified as equity instruments.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2022 (continued)

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### 1 Accounting policies (continued)

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by shareholders at an annual general meeting.

Dividend income is recognised when the right to receive the dividend is established.

#### *Financial assets*

The company classifies its financial assets into the category set out below. The company has not classified any of its financial assets as fair value through the Statement of comprehensive income profit or loss or as held to maturity.

The company's accounting policy for loans and receivables is as follows:

#### *Loans and receivables*

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The Company estimate expected credit losses on (ECL) certain types of financial instruments including trade receivables and contract assets. The estimate of expected credit losses (ECL) requires entities to incorporate historical information, current information, and reasonable and supportable forecasts. This standard also expands the disclosure requirements to enable users of financial statements to understand the entity's assumptions, models, and methods for estimating expected credit losses.

The company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents include cash in hand and deposits held on call with banks.

#### *Financial liabilities*

The company classifies its financial liabilities into the category set out below. The company has not classified any of its financial liabilities as fair value through the statement of comprehensive income profit or loss.

Other financial liabilities include the following items:

#### *Other financial liabilities*

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.
- Loans from group companies are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

# Bottomline Technologies Limited

## Notes forming part of the financial statements for the year ended 30 June 2022 (continued)

### 2 Critical accounting estimates and judgements

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Judgements*

##### (a) Deferred tax

Under IAS 12 "Income taxes" deferred tax assets are recognised to the extent that taxable profits will be available against which the deductible temporary differences can be utilised. As at the year end the directors consider that the IAS 12 recognition criteria are satisfied.

#### *Estimates and assumptions*

##### a) Impairment of investments

Investments in subsidiary undertakings are recognised at cost less impairment. The company's investments are not publicly traded and therefore their fair value cannot otherwise be measured reliably.

##### b) Impairment of trade and other receivables

The company adopted a forward-looking expected credit loss (ECL) approach to assess whether an asset, without a significant financing component, may be impaired. The approach is calculating an ECLs percentage by taking past 12-month write-offs as a proportion of the debtor balance at each year end and applying this rate to each aging bucket. It recognises an allowance for all debt instruments not held at fair value through profit or loss and contract assets.

##### c) Impairment of intangible assets

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and charged to the Statement of comprehensive income.

##### d) Useful lives of tangible fixed assets

The selection of the estimated useful lives requires the exercise of management's judgement. Useful lives are regularly reviewed, and should management's assessment of useful lives shorten, then depreciation charges in the financial statements would increase and carrying amounts of property, plant and equipment would reduce accordingly.

##### e) Incremental borrowing rate

As the implicit interest rate in our leases is generally not known, incremental borrowing rate (IBR) is used as the discount rate for purposes of determining the present value of lease liabilities. The determination of the incremental borrowing rate takes into consideration the expected term of the lease, the effect of the currency in which the lease is denominated and the rate of interest we would expect to incur on a collateralized debt instrument.

##### f) DTA recognition

Within the UK group, companies can surrender all its losses each year to the rest of the UK group which is profitable, it may be appropriate to recognise the DTA as the future tax deduction will serve to reduce the profits of other group companies.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 2 Critical accounting estimates and judgements (continued)

### g) Share-based payment

In FY21 we recognized an expense for the estimated fair value of our share-based compensation arrangements, net of estimated award forfeitures. The expense associated with share-based payment awards is generally recognized on a straight-line basis over the award's vesting period. By the end of FY22, the share-based compensation arrangement has been fully settled, and therefore no estimate of fair value is required.

### h) Impairment of the freehold property

During FY22, an external firm of surveyors was instructed to fair value the Theale building and an impairment was booked as a result.

### i) Leasehold property dilapidation

The Company establishes separate provisions based on reasonable estimates for property dilapidations. The estimated cost is accrued and subsequently present valued annually. The original estimated cost is based upon the market rate at the time and is reviewed annually by the directors.

## 3 Turnover

Turnover represents amounts recognised in respect of the design, development, sale and support of secure payment and document management solutions and services.

Turnover arises from:	2022 £	2021 £
Subscriptions and transactions	79,409,590	72,411,278
Software licenses	204,713	345,283
Service and maintenance	8,119,455	11,321,102
Hardware and Other Supplies	690,376	590,542
Inter-company revenue	6,652,769	6,149,584
	<b>95,076,903</b>	<b>90,817,789</b>

An analysis of turnover by geographical market based on the location of customers is given below:

	2022 £	2021 £
UK	82,224,371	79,054,048
Rest of World (excluding Russia/Ukraine)	12,852,532	11,763,741
	<b>95,076,903</b>	<b>90,817,789</b>

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 3 Turnover (continued)

The Company has recognised the following assets related to contracts with customers:

	2022 £	2021 £
Trade debtors included in debtors	15,363,399	15,109,508
Contract assets included in debtors	326,170	226,277
	<u>15,689,569</u>	<u>15,335,785</u>

Accounts receivable include amounts related to our contractual right to consideration for both completed and partially completed performance obligations that may not have been invoiced. Contract assets arise when we recognize revenue in excess of the amount billed to the customer and the right to payment is contingent on conditions other than simply the passage of time, such as the completion of a related performance obligation.

## 4 Operating profit

This is stated after charging/(crediting):

	2022 £	2021 £
Depreciation charge - owned assets	3,831,780	3,135,989
Lease costs - land and buildings	854,357	735,943
Research and development (including salary, excluding share options)	12,384,234	10,613,043
Exchange (gain)/loss	376,415	(149,032)
Other professional fees	63,734	61,672
Amortisation of intangible assets	2,008,138	2,027,700
Stock expensed to cost of sales	62,381	49,381
Loss on impairment of building	7,468,708	-
	<u>7,468,708</u>	<u>-</u>

Auditor's remuneration (including audit services, and non-audit services) for the Company have been borne by Bottomline Technologies Inc, as the parent company in the Bottomline Group.

## 5 Employees

	2022 £	2021 £
Staff costs consist of:		
Wages and salaries	50,838,921	34,792,868
Social security costs	4,818,386	3,701,485
Other pension costs	1,723,886	1,320,702
	<u>57,381,193</u>	<u>39,815,055</u>

Included in wages and salaries is a total expense of share-based payments of £13,153,531 (2021 - £3,774,979), which arises from transactions accounted for as equity-settled share-based payment transaction. The expense of share-based payments relating to the employees of Bottomline Technologies Europe Limited are accounted for in that company as disclosed in note 24.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 5 Employees (continued)

The average number of employees during the year was:	2022 Number	2021 Number
Customer service and engineering	181	185
Finance and administration	90	83
Research and development	138	108
Sales and marketing	177	174
	586	550
	586	550

## 6 Directors Remuneration

Directors' remuneration consists of:	2022 £	2021 £
Emoluments	1,322,808	234,675
Payments to defined contribution pension scheme	20,067	10,252
	1,342,875	244,927
	1,342,875	244,927

The directors' emolument relates to two directors, one of which commenced employment in September 2021. One directors' emolument has been borne by the fellow group company, Bottomline Technologies Inc. That director was also a director of the fellow company, Bottomline Technologies Inc. Directors' service of this entity are incidental to their main employment. Emoluments includes the accelerated shares payment.

One director's emoluments have been recharged to a fellow group company, Bottomline Technologies Europe Limited. This director is also a director of that company, and their services as a director of this entity are incidental to their main employment.

There was one director in the Company's defined contribution pension scheme during the year (2021 - one).

## 7 Interest receivable and similar income

	2022 £	2021 £
Bank interest receivable	57,773	19,745
Other interest receivable	599,556	599,556
	657,329	619,301
	657,329	619,301

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 8 Interest payable and Finance cost

	2022 £	2021 £
On loan from related undertakings	2,986,505	4,925,258
Interest charge	502	5,325
	<u>2,987,007</u>	<u>4,930,583</u>
	2022 £	2021 £
Finance cost	38,888	49,206
	<u>38,888</u>	<u>49,206</u>

The Finance cost of £38,888 arose from IFRS 16 Leases. The Company uses incremental borrowing rate as the discount rate for purposes of determining the present value of lease liabilities. Determination of the incremental borrowing rate takes into consideration the expected term of the lease and reflects the currency that the lease is denominated. At 30 June 2022, the weighted average discount rate utilized for our leases was 4.49%.

## 9 Waiving intercompany loan

	2022 £	2021 £
Loan from Bottomline Bacway Limited waived	-	2,914,924

On 1 July 2020, Bottomline Technologies Ltd hived up the trade and net assets of its subsidiary Bottomline Technologies Bacway Services (Bacway). As a result of this process, an intercompany payable balance of £2,914,924 was established. On the 25 June 2021, the directors of Bacway released the Company from obligation to repay the loan, giving rise to a £2,914,924 gain.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 10 Tax on loss/profit from ordinary activities

	2022 £	2021 £
<b>Total current tax charge</b>		
Current tax on profits for the year	39,249	2,012,651
Adjustment in respect of prior periods	5,085	(14,045)
Double taxation relief	-	(2,485)
Foreign taxation	-	2,527
	<u>44,334</u>	<u>1,998,648</u>
<b>Total deferred tax charge</b>		
Origination and reversal of temporary differences	(1,567,272)	824,794
Adjustment in respect of prior periods	-	(145,729)
Effect of tax rate change on the opening balance	(482,533)	61,403
	<u>(2,052,305)</u>	<u>(168,561)</u>
<b>Total tax (credit)/charge on loss/profit from ordinary activities</b>	<b>(2,005,471)</b>	<b>2,739,116</b>

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are set out below.

	2022 £	2021 £
(Loss)/profit before income taxes	<u>(16,806,627)</u>	<u>11,376,341</u>
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 19.00% (2021 – 19%)	(3,193,259)	2,161,505
Expenses not deductible	4,061,733	1,213,181
Income not taxable	(110,310)	(658,449)
Effects of group relief/other reliefs	21,828	-
Adjustment to taxable charge in respect to R&D expenditure credits	-	4,311
Foreign tax credits	-	42
Fixed asset differences relating to non-qualifying depreciation	139,355	176,790
Adjustment to brought forward values	-	509,510
Temporary differences not recognised in the computation	(190,854)	(133,086)
Transfers – deferred tax	-	8,669
Other permanent differences	(3,198,967)	(761,985)
Deferred tax relating to other comprehensive income	(7,956)	(94,800)
Deferred tax on share options	507,769	352,852
Deferred tax not recognised	442,639	104,719
Adjustment to tax charge in respect of previous periods	5,085	(159,774)
Remeasurement of deferred tax for changes in tax rate	(482,534)	15,631
	<u>(2,005,471)</u>	<u>2,739,116</u>
<b>Total tax (credit)/charge on profit from ordinary activities</b>	<b>(2,005,471)</b>	<b>2,739,116</b>

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 10 Tax on profit from ordinary activities (continued)

### Factors that may affect future tax charges

In Spring budget 2023, the Government announced that the Corporation Tax main rate will increase to 25% from 19%. There were no other factors identified that may affect future tax charge.

The company will only recognise the impact of further changes to the rate in its future financial statements for periods after the rates are substantively enacted.

## 11 Intangible assets

	Technology and customer relationships	Development Costs	Software Costs	Total
	£	£	£	£
<i>Cost</i>				
At 1 July 2021	10,330,309	6,753,036	345,499	17,428,844
Additions	-	1,589,045	1,103,066	2,692,111
Disposals	-	-	(584,317)	(584,317)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	<b>10,330,309</b>	<b>8,342,081</b>	<b>864,248</b>	<b>19,536,638</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Provisions</i>				
At 1 July 2021	2,701,222	3,909,967	269,619	6,880,808
Provided during the year	1,124,148	883,989	793,690	2,801,827
Disposals	-	-	(576,203)	(576,203)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	<b>3,825,370</b>	<b>4,793,956</b>	<b>487,106</b>	<b>9,106,432</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 June 2022	<b>6,504,939</b>	<b>3,548,125</b>	<b>377,142</b>	<b>10,430,206</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2021	7,629,087	2,843,069	75,880	10,548,036
	<hr/>	<hr/>	<hr/>	<hr/>

# Bottomline Technologies Limited

Notes forming part of the financial statements  
For the year ended 30 June 2022 (continued)

## 12 Tangible assets

	Short leasehold improvements £	Fixtures, fittings and equipment £	Freehold Property and Improvement £	Total £
<i>Cost</i>				
At 1 July 2021	862,961	16,159,488	23,092,889	40,115,338
Additions	-	832,199	32,176	864,375
Disposal	(570,833)	(1,432,676)	-	(2,003,509)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 June 2022	<b>292,128</b>	<b>15,559,011</b>	<b>23,125,065</b>	<b>38,976,204</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Depreciation</i>				
At 1 July 2021	735,070	9,650,671	1,177,567	11,563,308
Provided during the year	36,578	2,252,604	733,445	3,022,627
Disposal	(570,833)	(1,432,676)	-	(2,003,509)
Impairment	-	-	7,468,708	7,468,708
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 June 2022	<b>200,815</b>	<b>10,470,599</b>	<b>9,379,720</b>	<b>20,051,134</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Net book value</i>				
At 30 June 2022	<b>91,313</b>	<b>5,088,412</b>	<b>13,745,346</b>	<b>18,925,070</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 30 June 2021	127,891	6,508,817	21,915,322	28,552,030
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

In June 2022, the Company instructed a third party to perform a building revaluation of Bottomline-owned office in Theale. The report shows a £7.5m loss in market value compared with the purchasing price in 2019.

## Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 *(continued)*

### 13 Right-of-use assets

	Buildings	Machines and Equipment	Motor Vehicles	Telecomm unications network and equipment	Total
	£	£	£	£	£
<i>Cost</i>					
As at 1 July 2021	1,372,998	161,639	21,631	802,369	2,358,637
New Activity/ Remeasurement	-	14,199	-	1,172,297	1,186,496
As at 30 June 2022	<b>1,372,998</b>	<b>175,838</b>	<b>21,631</b>	<b>1,974,666</b>	<b>3,545,133</b>
<i>Accumulated Depreciation</i>					
As at 1 July 2021	613,943	84,604	17,796	632,823	1,349,166
Depreciation expense	289,756	45,634	3,835	513,203	852,428
As at 30 June 2022	<b>903,699</b>	<b>130,238</b>	<b>21,631</b>	<b>1,146,026</b>	<b>2,201,594</b>
<i>Net book value</i>					
At 30 June 2022	<b>469,299</b>	<b>45,600</b>	-	<b>828,640</b>	<b>1,343,539</b>

The depreciation expense of Right-of-use assets in the year is £852,428 (2021 – £735,943) which is recorded in Administration expenses.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 14 Investments

Unlisted investments	£
<i>Cost</i>	
At 1 July 2021	127,214,264
Additions	-
As at 30 June 2022	<u>127,214,264</u>

The balance at 30 June 2022 includes unlisted investments and in addition Arian Software at £1,339,768 (2021 - £1,339,768). The investment in Arian is supported by the value of its ongoing business activity.

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Country of registration/ incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Albany Software Limited	England and Wales	Ordinary shares	100%	Dormant
Simplex GTP Limited	England and Wales	Ordinary shares	100%	Dormant
The above companies registered office address is 1600 Arlington Business Park, Theale, Berkshire RG7 4SA, United Kingdom				
Bottomline Technologies Sarl	Switzerland	Ordinary shares	100%	Financial messaging solution
The above company's registered office address is Route de Malagnou 53, Geneva, Switzerland				
Bottomline Technologies PTE Ltd	Singapore	Ordinary shares	100%	Financial messaging solution
The above company's registered office address is 60 Robinson Road #15-01 BEA Building, Singapore				
CJJ Investments Ltd	England and Wales	Ordinary shares	100%	Holding Company
The above company's registered office address is 16 Daresbury Court, Runcorn, Cheshire WA7 1LZ				

## 15 Stocks

	2022 £	2021 £
Finished goods and goods for resale	<u>121,966</u>	<u>207,868</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 16 Debtors

	2022 £	2021 £
Trade debtors	15,363,399	15,109,508
Amounts due from group undertakings	34,785,288	34,780,795
Deferred tax asset (note 21)	1,762,083	-
Prepayments and Other debtors	11,055,035	9,793,543
Corporation Tax	2,442,998	230,757
	<u>65,408,803</u>	<u>59,914,603</u>

The debtors amount falling due for payment within one year is £31,233,376 (2021 - £26,005,287). The debtors amount falling due for payment in more than one year is £34,175,427 (2021 - £33,909,316) which consists of:

	2022 £	2021 £
Amounts due from group undertakings	29,977,673	29,977,673
Prepayments	4,197,754	3,931,643
	<u>34,175,427</u>	<u>33,909,316</u>

## 17 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,608,738	1,583,948
Amounts due to parent/related undertakings	21,558,567	13,152,976
Other taxation and social security	3,374,376	3,424,246
Other creditors	5,359,004	3,129,833
Accruals	1,087,827	1,099,546
Deferred income	25,149,936	21,095,028
Deferred tax liability (Note 21)	-	277,253
	<u>58,138,448</u>	<u>43,762,830</u>

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 18 Lease Liabilities

	Beginning Balance	New Activity	Payment	Interest	Ending Liability	Lease Liability (Short term)	Lease Liability (Long Term)
	£	£	£	£	£	£	£
Buildings	881,514	-	(386,893)	25,533	520,154	341,690	178,464
Machines and Equipment	72,442	13,763	(47,855)	2,109	40,459	27,401	13,058
Motor Vehicles	3,826	-	(3,870)	44	-	-	-
Telecommunications network and equipment	160,200	1,154,043	(476,857)	11,202	848,588	593,732	254,856
<b>Total</b>	<b>1,117,982</b>	<b>1,167,806</b>	<b>(915,475)</b>	<b>38,888</b>	<b>1,409,201</b>	<b>962,823</b>	<b>446,378</b>

The interest of £38,888 on lease liabilities in the year is recorded as Finance cost (see note 8) and is disclosed in the Statement of comprehensive income. The lease liabilities (short term) relate to the liabilities within 12 months after the reporting date, and lease liabilities (long term) relate to liabilities beyond 12 months after the reporting date.

Maturity analysis:

Liability less than one year	£ 962,823
One to five years	446,378
More than five years	-
<b>Total undiscounted lease liability at 30 June 2022</b>	<b>1,409,201</b>

## 19 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Deferred income	683,091	462,819
Loan from parent undertakings	92,159,997	120,541,648
	<b>92,843,088</b>	<b>121,004,467</b>

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 20 Provision for Liabilities

	2022 £	2021 £
Opening Balance	127,359	123,582
Movement for the year: - additional provision	3,794	3,777
Closing Balance	<u>131,153</u>	<u>127,359</u>

The asset retirement obligation ("ARO") provision relates to the company's facilities leases that require the company to return the facilities to their original condition upon vacating the premises at the end of the lease term. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

## 21 Deferred taxation

The deferred tax asset/(liability) recognised is as follows:	2022 £	2021 £
Timing differences	(348,089)	(945,370)
Losses	2,070,923	668,117
R&D expenditure credit	39,249	-
Total deferred tax asset/(liability)	<u>1,762,083</u>	<u>(277,253)</u>

The deferred tax liability of £348,089 relates to fixed asset and trading timing differences and will be payable within 12 months after the reporting date.

Deferred tax asset/(liability) movement in the financial statements is set out below:

	2022 £	2021 £
Opening balance	(277,253)	672,630
Movement for the year: - profit and loss	2,049,804	(740,468)
- deferred tax on share options	(10,468)	(218,084)
Deferred tax transfer	-	8,669
Closing balance	<u>1,762,083</u>	<u>(277,253)</u>

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (continued)

## 22 Share capital

	2022	2021
	£	£
<i>Allotted, called up and fully paid</i>		
29,421,299 (2021 - 29,421,298) ordinary shares of £1 each	<u>29,421,299</u>	<u>29,421,298</u>

In August 2021, Bottomline Technologies Limited's holding company, BT General LLC as general partner on behalf of Chatham Street LP subscribed for a single £1 ordinary share in the Company (see note 23).

## 23 Share premium

	2022	2021
	£	£
<b>Share premium</b>	<u>52,593,753</u>	<u>39,875,598</u>

In August 2021, Bottomline Technologies Limited 's holding company, BT General LLC as general partner on behalf of Chatham Street LP subscribed for a single ordinary share in the Company at a premium of £12,718,155 and a nominal value of £1 ordinary share. The ordinary share was paid up in full by way of a promissory note in the amount of £12,718,156 to be entered into between Chatham Street LP and the Company.

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Share premium	Amount subscribed for share capital in excess of nominal value.
Capital contribution reserve	Amounts contributed into capital without the issue of an equity instrument.
Profit and loss account	All other net gains and losses and transactions with owners (e.g. Dividends) not recognised elsewhere.

## 24 Share-based payment

Due to the completed acquisition by Thoma Bravo LP, a software and technology sector private equity firm, in May 2022, all the shares have stopped trading in the market. The company accelerated vesting of restricted shares and made a lump-sum cash pay-out on 26 May 2022. At the reporting date, there was no share-based liability reported. There is no replacement stock scheme. Future liability was converted to a fixed valuation and treated as bonus. All liability will be settled by June 2023.

The share-based remuneration expense (note 5) comprises:	2022	2021
	£	£
Equity-settled schemes	<u>13,153,531</u>	<u>3,774,979</u>

The company did not enter into any share-based payment transactions with parties other than employees during the current year.

# Bottomline Technologies Limited

Notes forming part of the financial statements  
for the year ended 30 June 2022 (*continued*)

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## 25 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The unpaid contributions outstanding at the year-end, included in 'other taxation and social security' (note 17) are £592,284 (2021 - £570,969).

## 26 Related party transactions

As a wholly owned subsidiary undertaking of a parent undertaking whose financial statements are available upon request, the Company has taken advantage of the exemption available under "FRS 101 Reduced Disclosure Framework" and has not disclosed transactions with other wholly owned members of the group.

## 27 Subsequent events

Following Thoma Bravo's acquisition, a new group-level executive leadership team determined that there was a more efficient and effective way to organise the company. A new functional and segment structure was implemented. Thus a reorganisation/restructuring followed in August/September 2022 resulting in 56 out of 586 full time employees being made redundant during this process across the whole Company.

On 13 March 2023, the Company paid £10,003,242 as an interim dividend for FY22 to parent company Bottomline Technologies Inc.

On 19 April 2023, the Company established a new Kosovo subsidiary with Parent Bottomline Technologies Ltd with initial share capital of €1,000. It is intended that the new Kosovo subsidiary will acquire the assets of the current Kosovo branch of another UK company within the group, Direct Debit Limited.

## 28 Parent undertaking and ultimate controlling party

The company's immediate parent undertaking is Chatham Street LP. The company's ultimate parent undertaking and controlling party is Thoma Bravo UGP, LLC, a company incorporated in United States of America.

Bottomline Technologies Inc., which was incorporated in the United States of America, provides copies of its group financial statements. They are available from 325 Corporate Drive, Portsmouth, NH 03801, United States of America.