

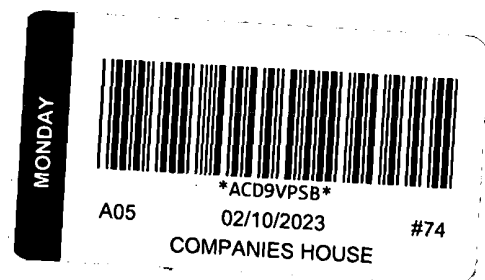


MYPOS WORLD LTD & SUBSIDIARIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022



myPOS World Ltd & Subsidiaries



CONTENTS

	Page
Company Information	1
Strategic Report	2
Directors' Report	5
Independent Auditor's Report	6
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	11
Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Company Statement of Cash Flows	15
Notes to the Annual Consolidated Financial Statements	16

myPOS World Ltd & Subsidiaries



COMPANY INFORMATION

Directors:

J Beaubois
T Gunzinger
M Kochnev

Company number:

10630817

Registered office:

The Shard, Level 24
32 London Bridge Street
London
SE1 9SG

Auditor:

Grant Thornton
13-18 City Quay
Dublin 2
D02 ED70
Ireland

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their strategic report and financial statements for myPOS World (“the Company”) Ltd and its subsidiaries (together, the “Group”) for the year ended 31 December 2022.

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to the Company and its subsidiary undertakings when viewed as a whole.

Review of the business

During the year, to fuel growth, the Group continued to invest in improving the myPOS product in existing markets and in entering new markets across Europe. In addition to robust financial performance, the myPOS management team remained committed to advancing its technologies and expanding the myPOS product offering, thereby strengthening customer engagement whilst growing and diversifying the business into new markets, industries and geographies. During the year myPOS Group finalised a number of successful projects.

During the year the Group continued its heavy investments in the electronic money software, to ensure that it is well-placed to benefit from the underlying growth in the international payments market and is able to meet the changing demands of both existing and prospective customers. In 2022, myPOS LTD obtained its new authorisation as an Electronic Money Institution (EMI) from the Central Bank of Ireland, the country’s financial services regulator. The EMI authorisation enables the Group to take some of the provisioned services inhouse and become even more efficient at empowering small businesses across Europe and accelerating the Group’s growth strategy.

The Group technology infrastructure transferred to a top tier cloud service provider, making its platform more secure, resilient and scalable. Furthermore, in 2022 the UK regulated entity in the Group, myPOS Payments Ltd, became a direct member of the Visa, MasterCard and American Express card schemes. Long-term myPOS management team objective remains the same – being the number one choice for small European merchants who want to accept card and remains committed to its mission statement to help SME business grow.

On 28 April 2022, the Group made an investment in myPOS Hungary KFT, a company registered in Budapest, Hungary, through its wholly owned subsidiary myPOS Partners Ltd. The share capital of myPOS Hungary KFT is EUR 3,960 EUR.

During July 2022, the Group acquired 99% of the capital of myPOS Experience Centre RO SARL, a company registered in Bucharest, Romania, through its wholly owned subsidiary myPOS Partners Ltd. The share capital of myPOS Experience Centre RO SARL is EUR 2,112.

On 10 August 2022 myPOS Ltd (Ireland) issued 2,000,000 new shares which were purchased by myPOS World Ltd for their nominal value of €1 each.

On 19 September 2022 the Group established another wholly owned entity - myPOS Experience Centre Ltd, a company registered in Dublin, Ireland, through its subsidiary myPOS Partners Ltd. The share capital of myPOS Experience Centre Ltd is EUR 10,000 EUR.

Section 172 Companies Act 2006

The Board of myPOS World Ltd and its Subsidiaries is responsible for the overall conduct of the Group’s business. The Board’s key purpose is to ensure the Group’s prosperity by collectively directing the Group’s affairs, whilst meeting the appropriate interests of its shareholders and other stakeholders. The Board consider that they have acted in a way that would be most likely to promote the success of the Group for the benefit of its members in the decisions taken during the year in accordance with s172. In doing so, the directors have considered (amongst other matters):

- the likely consequences of any decision in the long term;
- the interest of the Group’s employees;
- the need to foster the Group’s business relationships with customer and others;
- the impact of the Group’s operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct, and
- the need to act fairly among shareholders, employees and customers of the Group.



STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

The Board takes into consideration the views and interests of our stakeholders, which remain our customers, employees, shareholders, community, the environment, and regulators. The following summarises our key stakeholders, what is important to them, how we engaged with them and the results of that engagement, in particular in decision making:

- **Customers** – Learning from how our customers use our services is key to developing the quality and range of our products and services and enhancing their experience. We designed the myPOS products and services from the ground up, working backwards from the needs of our customers. We monitor their feedback using metrics such as net promoter score (“NPS”) and customer satisfaction reviews and we analyse in detail how customers use our product so that we can prioritise what they value most and make our products, marketing and communications relevant and valuable to them. Our mission and our focus is on delivering products that are faster, cheaper, more convenient, and more transparent for their benefit.
- **Employees** – We strive to attract, retain and develop talented people throughout our business and to promote a diverse and inclusive culture. We recognise that employees who have our values are crucial to our success and growth as an organisation and we work hard to develop our colleagues’ skills and talents and to improve their experience in the workplace. The Group has invested in internally developed training tools which provide fundamental knowledge of the business to every new employee. The Board communicates regularly with employees and encourages and responds to feedback. There are bi-weekly Heads of Departments meetings where operational matters and updates are discussed and cascaded through the business. Further news is included in our monthly newsletter.
- **Partners and suppliers** – We collaborate with some of the most innovative companies in the fintech industry to protect our customers and develop the pioneering products that they love. We endeavour to deal with all suppliers as valued partners.
- **Shareholders** – The Board understands that it is accountable to shareholders and is committed to open engagement with them. We value the trust, confidence and views of our shareholders. We provide regular updates on financial performance, strategy, culture and business developments. Our shareholders are important partners and offer guidance to myPOS on a range of matters.
- **Community and the environment** – We are committed to making an active contribution to the communities we live in and the environment. We support local universities in Bulgaria by having members of myPOS management team participate as guest lecture speakers, student mentors or competition judges. We provide input into the development and conduct of tech courses.
- **Regulators** – We place a high value on compliance with all relevant regulations and require the highest levels of integrity and ethical behavior. myPOS complies with multiple industry standards to information security and is PCI-DSS certified. As at 31 December 2022, the capital of the authorized by the Financial Conduct Authority (FCA) EMI subsidiary of the Group (myPOS Payments Ltd) was above the minimum requirements set by the regulator. The Financial Institution maintains regular communication and good relationship with the UK regulator.

Statement on employees

The Group is an equal opportunity employer. For us, equal opportunity means engaging in employment practices that are objective while treating our most valuable asset - our employees - with fairness and impartiality. The Group is committed to ensuring that all prospective applicants for employment are treated in this manner throughout the recruitment process and all employees have the opportunity for advancement and development, regardless of race, colour, nationality or ethnic origin, gender, marital status, age, disability, religion or sexual orientation.

The Group believes in fostering an environment that is committed to high performance, acknowledges the value of diversity, and provides development opportunities when needed through proprietary training programs. The Group provides reasonable workplace adjustments for new entrants into the company, as well as for existing employees who become disabled during their employment.

The Group has established clear standards of communication to provide information to our employees about important developments in the company, and to generate on an on-going basis an understanding of our vision, mission, values, strategy and business performance. Employees also have a mechanism to communicate their view and opinions about working for the Group via providing input and responding to an annual Employee Engagement survey.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Principal risks and uncertainties

Management seeks to minimise its exposure to external financial risks. The Group is exposed to various financial risks, including currency exchange rate fluctuations as the Group operates internationally, and a significant part of financial services is being provided in foreign currencies. The risk of adverse Anti-Money Laundering ("AML") deficiency in the operations is adequately mitigated by comprehensive policies, measures and staff training at the Group level.

In order to properly mitigate operational risks, the Board has a combination of various controls in place, both internal and external, aimed at the elimination of possible threats to the operations of the Group. As a core element in its risk policy, the Board applies weighted assessment of calculated risk factors in a continuously systematic manner at company and Group level.

Considering the unsecured macroeconomic environment, there are some risks with global effect, that need to be considered. Global geopolitical risks have soared since Russia's invasion of Ukraine. Investors, market participants, and policymakers expect that the war will exert a drag on the global economy while pushing up inflation, with a sharp increase in uncertainty and risks of severe adverse outcomes. However, management does not expect a significant impact over its operating activity related to this risk, since the Group has negligible debt and it is not operating in Ukraine and Russia.

The directors manage these risks and have a reasonable expectation that the Group maintains adequate resources to minimise the negative impact on its financials. A more detailed explanation of the risks to which the Group is exposed and its strategy for managing these risks, is included in note 24 to the financial statements.

Key performance indicators

Management has taken all necessary measures, which it considers to be effective for ensuring the continuity of the business and for the protection of all its employees, merchants and business operations. These measures were sufficient to fully address the short-term disruption of the macroeconomic conditions resulting from the epidemic. Management believes that the events will not adversely affect the long-term development of the Group as evidenced by the growing revenue year of year. Management is also confident that the Company is well positioned to further grow the business in the upcoming year.

Key performance indicators of the Group continue to strengthen. Group's revenue grew to € 60,172 (2021: € 43,329) thousand and profit after tax remained high € 5,393 thousand (2021: € 5,930 thousand), although significant investments in data centers and the new E-money licensed institution – myPOS Ltd were made during the period.

The profit margins underline the successful business model of the Group and strengthen the capital structure as the net assets also increased to € 16,326 (2021: € 10,965) thousand as at the year end.

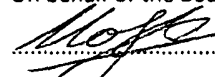
In this difficult economic environment, myPOS was fast to respond to the new paradigm, which allowed myPOS to increase its net revenue related to fees by 37%.

myPOS remained highly cash generative myPOS generated EUR 15.1 million of operating cash flow. The Group strives to maintain negligible amount of external debt financing.

myPOS has enjoyed an excellent start of 2022, thus the business has seen strong growth from existing customers while it continues to attract new merchants to the myPOS platform.

The Board is pleased with the financial performance of the Group, the use of its resources and its relationships with all stakeholders. The Board remains committed to ensuring a robust governance structure is in place and is working to comply with best practice corporate governance.

On behalf of the Board



Maxim Kochnev

Director

Date 30.06.2023



DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the Group for the year ended 31 December 2022.

Principal activities

The principal activity of the Company continued to be that of a holding company. The activities of the companies in the Group are that of providing electronic money and payment services and related intermediary services.

Dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Going concern

The directors believe that the Group has adequate resources to keep operating and meeting liabilities for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the financial statements. Further information supporting the going concern basis may be found in note 1.3 to the financial statements.

Research and development

During the year, the Group capitalized software development costs, which are included in the addition to the intangible assets in note 12.

Employees

As of December 2022, the number of employees in the Group was 453 (2021: 350) in offices located across Europe. The number of employees is expected to grow in line with market expansion and product development.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Jean Beaubois
Thomas Gunzinger
Maxim Kochnev

Supplier payment policy

The Group current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

Financial instruments

Liquidity risk

The Group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business. The Group does not consider it has a high level of liquidity risk in view of the policy of the directors which is to not take on obligations unless there is a source of finance to satisfy those obligations.

Foreign currency risk

The Group's principal foreign currency exposures arise from trading with overseas companies. Group policy permits but does not demand that these exposures be hedged in order to fix the cost in Euro.

Credit risk

Investments of cash surpluses are made through banks which must fulfil the credit rating criteria approved by the Board.

Cash flow risk

Cash flow risks may arise in the event that the Group does not have sufficient financial resources to meet its obligations as they fall due. To this end, the Group has implemented systems and controls to mitigate such risks.

Post reporting date events

Detailed analysis of post reporting date events can be found in note 26 to the financial statements.



myPOS World Ltd & Subsidiaries

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Future developments

The directors are confident about the Group's progress and believe it is well positioned to make further progress during the coming year through its subsidiaries.

Auditor

Grant Thornton was appointed as auditor to the Company, in accordance with section 485 of the Companies Act 2006, a resolution proposing that they are appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 UK adopted International Accounting Standards. 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 Group and Company. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Group auditor is unaware. Additionally, the Company directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Group auditor is aware of that information.

Energy and carbon statement

For the year ended 31 December 2022, the UK law requires the Group to report certain greenhouse gas emissions from UK operations under the SECR.

Total office electricity consumption for the UK entities of the Group between January 2022 and December 2022 was less than 40,000 kWh. There is no gas or fuel consumption at this site.

The Group is fully committed to the reduction of its environmental footprint to help mitigate the challenges posed by climate change and global warming.

On behalf of the Board

Maxim Kochnev
Director

Date 30.06.2023

Independent auditor's report to the members of myPOS World Limited

Opinion

We have audited the financial statements of myPOS World Limited ("Company") and its subsidiaries (the "Group"), which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Statement of Changes in Equity, Consolidated Statement of Cash Flows and Company Statement of Cash Flows for the year ended 31 December 2022, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK-adopted international accounting standards (UK-adopted IAS).

In our opinion, myPOS World Limited and the group's financial statements:

- give a true and fair view in accordance with UK-adopted IAS of the financial position of the Group and the Company as at 31 December 2022 and of the Group and Company financial performance and cash flows for the year then ended; and
- have been properly 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 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. 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 going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Independent auditor's report to the members of myPOS World Limited

Other information

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon, including the Directors' Report and the Strategic Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 management and those charged with governance for the financial statements

As explained more fully in the Directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with UK-adopted IAS, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

Independent auditor's report to the members of myPOS World Limited

Responsibilities of management and those charged with governance for the financial statements (continued)

In preparing the financial statements, management is responsible for assessing the Group and 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 management either intends to liquidate the Group or Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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.

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

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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group/Company and industry we identified that the principal risks of non-compliance with laws and regulations related to compliance with Electronic Money Regulations 2011, Financial Conduct Authority, Data Privacy law, Money Laundering Regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation. The audit engagement responsible individual considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulation. We evaluated managements incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override controls), and determined that the principal risks were related to revenue recognition and posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

Independent auditor's report to the members of myPOS World Limited

Responsibilities of the auditor for the audit of the financial statements (continued)

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

We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the financial statements.

The group engagement team shared the risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work.

In response to these principal risks, our audit procedures included but not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group's regulatory and legal correspondence and review of Company's minutes of board of directors' meetings during the year to corroborate inquiries made;
- gaining an understanding of the entity's current activities, the scope of authorisation and the effectiveness of its control environment to mitigate risks related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates including recognition and measurement of internally generated intangible assets, useful life of depreciable assets, expected credit loss, impairment of investments and goodwill;
- review of the financial statement disclosures to underlying supporting documentation and inquiries of management; and
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- We requested information from component auditors on instances of non-compliance with laws or regulations that could give rise to a material misstatement of the group financial statements.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.



Independent auditor's report to the members of myPOS World Limited

The purpose of our audit work and to whom we owe our responsibilities

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.

Other matters

The financial statements of myPOS World Limited and Subsidiaries for the year ended December 31, 2021, were audited by Moore Kingston Smith who expressed an unmodified opinion on those statements on August 24, 2022.

A handwritten signature in black ink, appearing to read "Maria Afontsenko".

Maria Afontsenko (Senior Statutory Auditor)

For and on behalf of

Grant Thornton

Chartered Accountants & Statutory Auditors

13-18 City Quay

Dublin

D02 ED70

Ireland

30 June 2023


**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

All amounts are presented in Euro (000) unless otherwise stated.

	Notes	2022	2021
Revenue	2	60,172	43,329
Cost of sales	3	(19,304)	(13,644)
Gross profit		40,868	29,685
Other income	2	1,667	1,087
General and administrative expenses	4	(30,931)	(19,102)
Depreciation and amortization costs	12, 13, 14, 16	(3,557)	(2,566)
Impairment and other charges	5	(731)	(1,530)
Operating profit		7,316	7,574
Finance income	6	146	23
Finance costs	7	(768)	(881)
Interest expenses on leased contracts	16	(193)	(47)
Profit before tax		6,501	6,669
Corporation tax expense	8	(1,108)	(739)
Total Consolidated net profit for the period is attributable to:		5,393	5,930
Owners of the parent		5,471	5,980
Non-controlling interest		(78)	(50)
Total Consolidated net profit		5,393	5,930
Other comprehensive income		(36)	(67)
Total comprehensive income		5,357	5,863
Total comprehensive income for the period is attributable to:			
Owners of the parent		5,435	5,913
Non-controlling interest		(78)	(50)
Total comprehensive income		5,357	5,863

The income statement has been prepared on the basis that all operations are continuing operations.

The financial statements were approved by the board of directors and authorized for issue on 30.06.2023 and are signed on its behalf by:


 Maxim Kochnev
 Director

Company Registration No. 10630817

myPOS World Ltd & Subsidiaries



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

All amounts are presented in Euro (000) unless otherwise stated.

	Notes	2022	2021
ASSETS			
Non-current assets			
Intangible assets	12	5,517	4,909
Right-of-use assets	16	7,490	1,704
Property, plant and equipment	13	3,412	1,380
Incremental costs of obtaining a contract	14	92	-
Deferred tax assets	8	490	394
Goodwill	17	620	220
Other non-current assets	15	-	1,476
Total non-current assets		17,621	10,083
Current assets			
Cash and cash equivalents	11	40,025	32,658
Trade and other receivables	10	7,352	4,581
Loans granted	10	1,280	-
Inventory	9	4,738	3,567
Work in progress		528	-
Total current assets		53,923	40,806
TOTAL ASSETS		71,544	50,889
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	18	14,216	8,707
Payables to merchants	18	35,392	30,198
Loans received	18	-	2
Income tax payable		296	58
Total current liabilities		49,904	38,965
Non-current liabilities			
Trade payables	19	5,242	959
Loans received	19	72	-
Total non-current liabilities		5,314	959
Equity			
Called up share capital	21	1,140	1,140
Retained earnings		15,573	10,098
Other reserves		(95)	(59)
Equity attributable to the shareholders of the parent		16,618	11,179
Non-controlling interest		(292)	(214)
Total equity		16,326	10,965
TOTAL EQUITY AND LIABILITIES		71,544	50,889

myPOS World Ltd & Subsidiaries



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 (CONTINUED)

All amounts are presented in Euro (000) unless otherwise stated.

The financial statements were approved by the board of directors and authorized for issue on 30.06.2023 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read "Maxim Kochnev", written over a horizontal dotted line.

Maxim Kochnev
Director

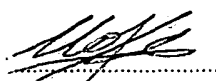
Company Registration No. 10630817

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**
All amounts are presented in Euro (000) unless otherwise stated.

	Notes	2022	2021
ASSETS			
Current Assets			
Trade and other receivables	10	920	52
Cash and cash equivalents	11	2	-
Loans granted		1,280	-
Total current assets		2,202	52
Non-current Assets			
Loans granted	15	15,309	13,792
Long-term Investments	20	5,389	3,389
Total non-current assets		20,698	17,181
TOTAL ASSETS		22,900	17,233
EQUITY AND LIABILITIES			
Current liabilities			
Loans received	18	-	6,171
Trade and other payables	18	833	154
Total current liabilities		833	6,325
Non-current liabilities			
Loans received	18	6,212	-
Total Non-current liabilities		6,212	-
Equity			
Called up share capital	21	1,140	1,140
Retained earnings		14,715	9,768
Total equity		15,855	10,908
TOTAL EQUITY AND LIABILITIES		22,900	17,233

The parent company has taken advantage of section 408 of the Companies Act 2006 not to present its own statement of comprehensive income. The parent company's result for the year was a net profit of € 4,947 thousand (2021: € 4,725 thousand).

The financial statements were approved by the board of directors and authorized for issue on 30.06.2023 and are signed on its behalf by:



Maxim Kochnev
Director

Company Registration No. 10630817

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022**

All amounts are presented in Euro (000) unless otherwise stated.

GROUP	Called-up share capital	Other Reserves	Retained earnings	Equity attributable to the shareholders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2021	1,140	8	4,143	5,291	(239)	5,052
Period ended on 31 December 2021						
Profit/Loss and Total comprehensive income	-	(42)	5,955	5,913	(50)	5,863
Acquisition of subsidiaries	-	(25)	-	(25)	75	50
Balance at 31 December 2021	1,140	(59)	10,098	11,179	(214)	10,965
Balance at 1 January 2022	1,140	(59)	10,098	11,179	(214)	10,965
Period ended on 31 December 2022						
Profit/Loss and Total comprehensive income	-	(40)	5,475	5,435	(78)	5,357
Acquisition of subsidiaries	-	4	-	4	-	4
Balance at 31 December 2022	1,140	(95)	15,573	16,618	(292)	16,326
COMPANY	Called-up share capital		Retained earnings	Equity attributable to the shareholders of the parent		Total equity
Balance at 1 January 2021	1,140		5,043	6,183		6,183
Period ended on 31 December 2021						
Profit/Loss and Total comprehensive income	-		4,725	4,725		4,725
Acquisition of subsidiaries	-		-	-		-
Balance at 31 December 2021	1,140		9,768	10,908		10,908
Period ended on 31 December 2022						
Profit/Loss and Total comprehensive income	-		4,947	4,947		4,947
Acquisition of subsidiaries	-		-	-		-
Balance at 31 December 2022	1,140		14,715	15,855		15,855

myPOS World Ltd & Subsidiaries



CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in Euro (000) unless otherwise stated.

GROUP	2022	2021
Operating activities		
Profit before tax	6,501	6,669
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	3,557	2,566
Foreign currency adjustments	(36)	(17)
Impairment charges	731	1,530
Other non-cash adjustments	-	11
Interest income	(146)	(23)
Interest expenses	196	85
Increase in inventory	(1,159)	(1,354)
Increase in trade and other receivables	(2,990)	1,551
Increase in trade and other payables	9,411	11,586
Tax paid	(966)	(902)
Net cash flows generated from operating activities	15,099	21,702
Cash flows from investing activities		
Payments for non-current assets	(5,152)	(2,549)
Acquisition of subsidiaries (net of cash acquired)	48	(1)
Loans granted	(714)	(1,537)
Loans repaid	34	19
Interest received on loans granted	1	2
Net cash flow used in investing activities	(5,783)	(4,066)
Cash flows from financing activities		
Lease liability payments	(1,901)	(1,062)
Interest paid on lease contracts	(125)	(16)
Loans received	70	(15)
Loans repaid	-	(2,729)
Interest paid on loans received	-	(38)
Net cash flow used in financing activities	(1,956)	(3,860)
Net increase in cash and cash equivalents	7,360	13,776
Net foreign exchange difference	8	-
Cash and cash equivalents at beginning of year	32,657	18,882
Cash and cash equivalents at end of year	40,025	32,658

Company Registration No. 10630817

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

All amounts are presented in Euro (000) unless otherwise stated.

COMPANY	2022	2021
Operating activities		
Profit before tax	4,947	4,725
Correction of non-monetary items		
Investment Income	(6,013)	(5,363)
Finance costs	181	151
Impairment charges	470	232
Depreciation and amortization costs	-	3
Increase in trade and other receivables	(722)	92
Increase in trade and other payables	678	(91)
Net cash flows used in operating activities	(459)	(251)
Cash flows from Investing activities		
Dividends received	-	-
Loans granted	(2,535)	(4,513)
Receipts arising from loans made	947	695
Interest received on loans granted to related parties	487	265
Payments for non-current assets	(2,000)	(1,000)
Net cash used in investing activities	(3,101)	(4,553)
Financing activities		
Loans received	5,092	8,237
Loans repaid	(1,388)	(3,290)
Interest paid on loans received	(142)	(144)
Net cash generated from financing activities	3,562	4,803
Net decrease in cash and cash equivalents	2	(1)
Cash and cash equivalents at beginning of year	-	1
Cash and cash equivalents at end of year	2	-

Company Registration No. 10630817



myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

1. Accounting policies and general information

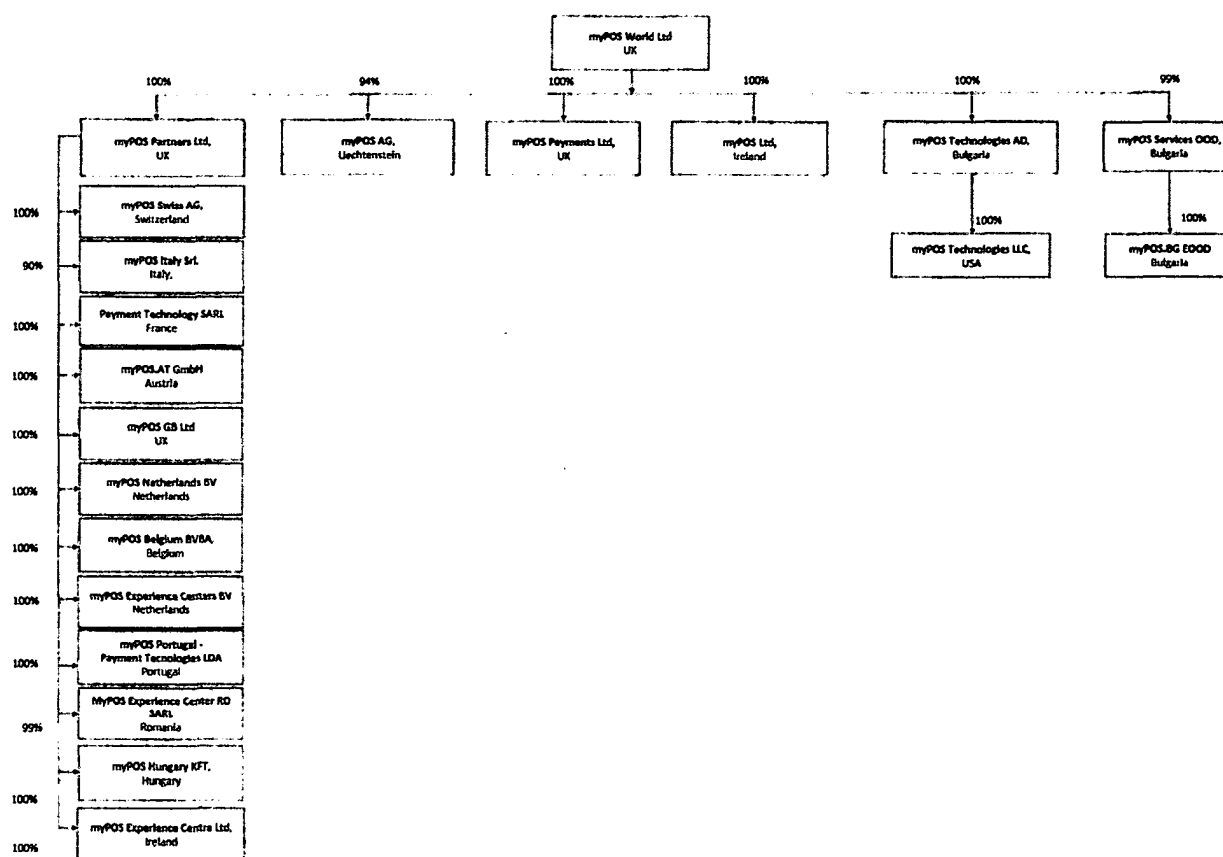
Company and Group information

myPOS World Ltd is a private company limited by shares incorporated in England and Wales. The registered office is The Shard, Level 24, 32 London Bridge Street, London, England, SE1 9SG.

myPOS Group comprises of 21 registered companies as at 31 December 2022. myPOS Group principal business activity is issuing electronic money (e-money) and providing payment services. The Group is organized to facilitate single end-to-end process. For the attainment of this objective and to reduce the operational risk, each company within the Group has a clearly defined objective, covering card payment services, proprietary software infrastructure, support and POS terminal delivery and distribution.

The financial year of the Group ends on 31 December.

Details of the Company's subsidiaries at 31 December 2022 are as follows:



1.1 Accounting convention

The financial statements have been prepared in accordance with UK adopted International Accounting Standards. The measurement bases are more fully described in the accounting policies to the financial statements below.

It should be noted that accounting estimates and assumptions are used for the preparation of the financial statements. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates (see note 1.24).

The financial statements are prepared in Euro, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand Euro (000) unless otherwise stated.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

1.2 Basis for the preparation of the consolidated financial statements

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statement includes the results of the Company and its subsidiary undertakings. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The Group uses the purchase method of accounting to account for the acquisition of subsidiaries in accordance with IFRS 3. In the balance sheet, the acquiree's identifiable assets, liabilities and initially recognised at their fair value at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

1.3 Going concern

Management is responsible for the preparation and fair presentation of the information in these financial statements.

The Group's management has analysed and assessed the Group's ability to continue as a going concern based on available information about the foreseeable future and management expects that the Group has sufficient financial resources to continue its operations in the near future and continues to apply the going concern principle in preparing its financial statements.

1.4 Changes in accounting policies

The Group has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board (IASB) and endorsed by the UK Endorsement board (UKEB) which are mandatory for application from the annual period beginning on 1 January 2022:

- Reference to the Conceptual Framework (Amendments to IFRS 3)
- COVID-19 – Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)
- Property, Plant and Equipment: Proceeds Before Intended Use (Amendments to IAS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements (2018-2020 Cycle):
 - Subsidiary as a First-time Adopter (Amendments to IFRS 1)
 - Fees in the '10 per cent' Test for Derecognition of Liabilities (Amendments to IFRS 9)
 - Lease Incentives (Amendments to IFRS 16)
 - Taxation in Fair Value Measurements (Amendments to IAS 41)

These amendments had no material effect on the Group and Company Financial Statements.

New standards and amendments issued but not yet effective for years ending 31 December 2022.

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB and endorsed by UKEB but are not yet effective. New standards and interpretations currently in issue but not effective for accounting periods commencing on 1 January 2022 are:

- IFRS 17 'Insurance Contracts'
- Amendments to IFRS 17 'Insurance Contracts' (Amendments to IFRS 17 and IFRS 4)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1)
- Definition of Accounting Estimates (Amendments to IAS 8)

The directors do not expect that the adoption the Standards listed above will have a material impact on the Group in future periods. A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the Group's activities and which have not therefore been adopted in preparing these financial statements.

1.5 Presentation of financial statements

The consolidated financial statements are presented in accordance with IAS 1 "Presentation of Financial Statements".

The Group presents the statement of profit or loss and other comprehensive income in a single statement.

Two comparative periods are presented for the statement of financial position when the Group applies an accounting policy retrospectively, makes a retrospective restatement of items in its financial statements; or reclassifies items in the financial statements and this has a material impact on the statement of financial position at the beginning of the preceding period.

1.6 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Goodwill is subject to an impairment test performed annually by comparing its carrying amount to its recoverable amount at the closing date based on December actuals and latest five-year plan, or more often whenever events or circumstances indicate that the carrying amount could not be recoverable. Such events and circumstances include but are not limited to:

External sources of information:

- Significant deviance of economic performance of the asset when compared with budget;
- Significant worsening of the asset's economic environment;
- The entity's net assets are measured at more than its market capitalisation;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

- Significant increase in interest rates.

Internal sources of information:

- Evidence of obsolescence or damage;
- There is, or is about to be, a material reduction in usage of an asset;
- Loss of a major client;
- Evidence, that the economic performance of an asset has been, or will be, worse than expected.

In each case, the respective budgets and financial plans provide the basis for determining the recoverable amount. The business plans contain management estimates and projections of the financial performance of the respective CGU. A reasonable discount rate is also chosen to calculate the present value of these cash flow projections.

If the carrying amount of the assets exceeds the recoverable amount, an impairment equal to the difference between the carrying amount and the recoverable amount is recognized as an impairment loss in profit or loss. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, recent market transactions are taken into account, if available. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

Any impairment loss on goodwill recognized in prior periods may not be reversed in subsequent periods.

Impairment tests

The goodwill items are subject to an annual impairment test conducted in the fourth quarter of each year. If events or a change of circumstances indicate a possible impairment, the test is carried out more frequently to determine whether the carrying amount of the relevant organizational unit exceeds its recoverable amount.

Value in use is calculated by estimating future cash inflows and outflows from the use of the asset and its ultimate disposal and applying a suitable discount rate to these cash flows.

With regards to the estimates of cash flows, IAS 36 stipulates that:

- The cash flow projections should be based on reasonable assumptions and the most recent budgets and forecasts;
- The cash flow projections should relate to the asset's current condition and should exclude expenditure to improve or enhance it;
- For periods in excess of five years, management should extrapolate from earlier budgets using a steady, declining or zero growth rate;
- Management should assess the accuracy of the budgets by investigating the reasons for any differences between forecast and actual cash flows.

The discount rate used to calculate value in use should reflect:

- The time value of money, and
- The risks specific to the asset for which the future cash flow estimates have not been adjusted.

As of 31 December 2022, goodwill relates to the acquisitions of Payment Technology Sarl, myPOS Belgium BV, myPOS Portugal and MyPOS Experience Center RO SARL.

The recoverable amounts for each CGU have been determined based on a value in use calculation using the discounted cash flow method (DCF). On the basis of impairment tests carried at year end, no loss of value has been identified as at 31 December 2022.

Key assumptions

The calculation of value in use is most sensitive to the following assumptions:

- The value in use has been determined based on the financial projections, approved by the management.
- Discount rate used in the calculation (12m EURIBOR + 3.25%) reflects Management's view on the risk level of the industry in which myPOS operates, as well as the growth stage of the business.

myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

1.7 Foreign currency translation

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate as published by the European Central Bank). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Assets and liabilities for each balance sheet of a group company presented are translated at the closing rate at the date of that balance sheet. Income and expenses for each statement of comprehensive income of a group company as well as the cash flow statements are translated at average exchange rates. All resulting exchange differences are recognised as a separate component of comprehensive income under other reserves. The effect of these exchange differences attributable to non-controlling interests is nil rounded in thousands, so it is not separate in the statement of comprehensive income.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction. Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Euro which is considered to be the Group's functional and presentational currency under the current business model, which is consistent with the Company's group undertakings.

1.8 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

The main revenue generated by the Group relates to the provision of intermediary services and of payment services under the Payment Services and Payment Systems Acts (Payment Services Regulations 2017 and Electronic Money Regulations 2011).

To determine whether and how to recognise revenue, the Group uses the following five step model:

- 1 Identify the contract(s) with a customer;
- 2 Identify the performance obligations in the contract;
- 3 Determine the transaction price;
- 4 Allocate the transaction price to the performance obligations;
- 5 Recognise revenue when (or as) performance obligations are satisfied.

Revenue of subsidiary undertakings represents commission income and consideration received and receivable from issue of electronic money (e-money) and the provision of payment services to merchants, provision of intermediary services and sale of POS terminals.

Revenue is recognised either at a point in or over time when, or until the Group has satisfied its performance obligations by transferring the promised goods or services to its customers. The fees charged to customers are shown to them upfront upon accepting the general terms and conditions for the myPOS service and are available in the customers' online account. As there is typically a single performance obligation associated with each type of service provided to a customer, the revenue is recognised at the point in time the Group's performance obligation has been satisfied (e.g. upon delivery of funds to the recipient, in case of money transfers, when a customer balance is converted into a different currency or upon transaction capture for card services). Due to the myPOS unique live eco-system, all transactions are fulfilled, and hence revenue is recognised, instantly.

With regards to the sale of POS terminals, payment is due immediately when the customer purchases the device.

Subscription fees received in advance are initially recognised as deferred income and are recognised as revenue in the income statement on a straight-line basis over the period of the subscription.

The Group recognises as contract liabilities consideration received in respect of unsatisfied performance obligations and presents them as deferred revenue within trade and other payables (note 18) in the statement of financial position. Similarly, if the Group satisfies a performance obligation before receiving the consideration, it recognises in the statement of financial position either a contract or a receivable, depending on whether any additional requirements are present other than a specified time to receive the consideration. These assets are presented as other receivables (see note 10).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

If the services provided by the Group exceed the payment, an asset is recognized under the contract. If the payments exceed the services provided, a contractual liability is recognised.

Evaluation

Revenue is measured on the basis of the transaction price determined for each contract. In determining the transaction price, the Group takes into account the terms of the contract and its usual commercial practices.

The transaction price is the amount of remuneration that the Group expects to be entitled to in exchange for the transfer to the customer of the promised goods or services, except for amounts collected on behalf of third parties (e.g. value added tax). The remuneration promised in the contract with the client may include fixed amounts, variable amounts, or both.

When (or as) a performance obligation is satisfied, the Group recognizes as revenue the value of the transaction price (which excludes estimates of variable remuneration, including restrictions), which is attributed to this performance obligation.

The Group considers whether there are other promises in the contract, which are separate obligations for performance, for which part of the transaction price must be allocated.

In determining the transaction price, the impact of variable remuneration, the existence of significant components of financing, non-monetary remuneration and remuneration due to the client (if any) is taken into account.

Principal versus agent considerations

When a third party participates in the providing of goods or services to a customer, the Group shall determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (principal) or to arrange for those goods or services to be provided by the other party (agent).

To determine whether to act as a principal or an agent, the Group uses the following two steps:

1. Identify the specified goods or services to be provided to the customer;
2. Assess whether the Group controls each specified good or service before that good or service is transferred to the customer.

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer. However, the Group does not necessarily act as a principal if obtains legal title of an asset only momentarily before legal title is transferred to a customer.

The Group is an agent if the Group's performance obligation is to arrange for the provision of the specified good or service by third party. When (or as) an entity that is an agent satisfies a performance obligation, the entity recognizes revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

An entity's fee or commission might be the net amount of consideration that the entity retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

In 2021 due to a change in the applicable legislation in Bulgaria, myPOS Technologies AD was no longer able to serve myPOS clients directly. In order to ensure business continuity, myPOS Group has negotiated new terms of service with a high-tech payments service provider in Europe. Following this change and IFRS 15 guidance, the revenue in the 2022 accounts is presented net of all direct costs, since myPOS acts as an agent. This is relevant for clients of the Group excluding those in UK, Switzerland, and Gibraltar. From April 2022, myPOS Payments Ltd can directly serve clients in UK, Switzerland and Gibraltar and act as a principal.

Disaggregation of revenue

The Group has a policy to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will depend on the specific circumstances of each entity as to how much detail is disclosed.

Categories that could be used as basis for disaggregation include:

- (a) type of good or service (e.g. major product lines)
- (b) geographical regions

With regards to above the Group has opted to use the type of good or service disaggregation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

1.9 Interest income

Interest income is related to loans granted. They are reported on an accrual basis using the effective interest method.

1.10 Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

1.11 Interest and borrowing costs

Interest expenses are reported on an accrual basis using the effective interest method.

Borrowing costs primarily comprise interest on the Group's borrowings. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in the statement of profit or loss and other comprehensive income within "Finance costs".

1.12 Incremental costs of obtaining a contract

The application of IFRS 15 mainly affects contract costs as they are assessed for possible capitalisation using the specific criteria included in the Standard. If these costs are capitalized the related asset is subsequently amortised on a straight-line basis over the estimated benefit period that includes both the existing contract as well as the reasonably expected renewals based on the Group's historical experience with similar arrangements.

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. In all other cases, costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

An asset recognised as an incremental cost of obtaining a contract shall be amortised on a systematic basis that is consistent with the time for which the proceeds of economic benefits from the concluded contract are expected.

An asset recognized as an additional cost of a contract is derecognised either when it is sold or when no further economic benefits are expected from its use or sale.

Amortization is calculated using the straight-line method over the estimated useful life of the assets as follows:

Incremental costs of obtaining a contract	3.75 years on straight line basis
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1.13 Intangible assets

Intangible assets are accounted for using the cost model. The cost comprises its purchase price, including any non-refundable purchase taxes and any directly attributable expenditure on preparing the asset for its intended use whereby the capitalized costs are amortised on a straight-line basis over the estimated useful life of the assets as it is considered to be finite.

After initial recognition, an intangible asset is carried at cost less any accumulated amortization and any accumulated impairment losses. Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income for the respective period.

Subsequent expenditure incurred after initial recognition of intangible assets is recognised in profit or loss for the period of their occurrence unless it is probable that the expenditure will enable the asset to generate future economic benefits in excess of its initial estimate and such expenditure can be measured reliably and attributed to the asset. If these two conditions are met, the subsequent expenditure is added to the carrying amount of the intangible asset.

The residual values and useful life are reviewed by the management at each reporting date.

Amortization is calculated using the declining balance method over the estimated useful life of the assets as follows:

Software	5 years on straight line basis
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Useful life of software is reassessed after every third year of its operation and based on the result from assessment it could be increased with another 5 years.

Amortization costs have been included in the consolidated statement of profit or loss and other comprehensive income within "Depreciation and amortization costs".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the intangible asset and use or sell it;
- its ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits. Among other things, there is a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Group capitalized employee costs related to myPOS Platform development. Directly attributable costs that are capitalized as part of the software including salaries of IT development employees.

Capitalized development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

1.14 Right-of-use-assets

IFRS 16 "Leases" eliminates the distinction between operating and finance leases for lessees and introduces the right-of-use asset model. Rental costs are assessed for possible capitalization using the specific criteria included in the standard. If capitalized, the resulting asset is subsequently depreciated on a straight-line basis over the shorter of the useful life and the lease term.

The Group recognizes as an asset the future costs under lease agreements if the contract period, exceeds 12 months. In all other cases, rental costs are recognized as an expense when incurred. An interest rate of 3% for leased office space was used to measure lease liabilities.

The asset recognized as a right-of-use asset shall be amortized on a systematic basis that is consistent with the time for which the proceeds of economic benefits from the concluded contract are expected.

At the commencement date, the Group recognizes a right-of-use asset and a lease liability in the statement of financial position. The right-of-use asset is measured at acquisition cost, comprising the initial measurement of the lease liability, all initial direct costs incurred by the Group, an estimate of all costs to be incurred in dismantling and removing the underlying asset at the end of the lease and any lease payments made before the commencement date of the lease (excluding any lease incentives received).

The Group amortizes the right-of-use asset on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also performs an impairment review of the right-of-use asset, when such indicators exist.

At the commencement date the Group measures the lease liability at present value of the lease payments that are not paid at that date discounted using the interest rate implicit in the lease contract. If that rate cannot be readily determined then the differential interest rate of the Group is used.

To determine the differential interest rate, the Group uses an interest rate comprising the risk-free interest rate and a margin reflecting the credit risk associated with the Group and further adjusted due to the specific terms of the lease agreement, incl. term, country, currency and collateral.

Lease payments included in the measurement of the lease liability comprise of fixed payments (including in-substance fixed), variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees and payments arising from options reasonably certain to be exercised by the Group.

After the commencement date, the lease liability is reduced by the amount of the lease payments made and increased by the amount of the interest. Lease liabilities is remeasured to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or is recognized in the profit or loss, if the carrying amount of the right-of-use asset is reduced to zero.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

The Group has chosen to account for short-term leases and leases for which the underlying asset is of low value by using the recognition exemptions. Instead of recognizing a right-of-use asset and lease liability, the related payments are recognized as an expense in the profit or loss on a straight line over the lease term.

In the statement of financial position, right-of-use assets are included within Right-of-use assets, and the lease liabilities are presented within Trade and other payables.

Reduction of leases

During 2021, the Group has applied the amendment to IFRS 16 for leases under which there is a reduction in leases as a result of Covid-19. The Group applies the reporting facility, which allows it not to assess whether the allowable discounts on leases that are a direct consequence of the Covid-19 pandemic are modifications to the lease. The Group applied the reporting amendment consistently in contracts with similar characteristics and in similar circumstances. For discounts on leases for which the Group decided not to apply or which do not meet the requirements for the application of the facility in IFRS 16, the Group treats as a modification of the lease agreement.

1.15 Property, plant and equipment

Property, plant and equipment are initially measured at cost, including acquisition cost and any directly attributable costs of bringing the asset to working condition for its intended use.

After initial recognition property, plant and equipment is carried at acquisition cost less accumulated depreciation and accumulated impairment loss. Impairment losses are recognised in the statement of profit or loss and other comprehensive income for the respective period.

Subsequent expenditure relating to an item of property, plant and equipment is added to the carrying amount of the asset when it is probable that this expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standard of performance. All other subsequent expenditure is recognised as incurred.

Residual value and useful life of property, plant and equipment are reviewed by the management at each reporting date.

Property, plant and equipment acquired under finance lease agreement, are depreciated based on their expected useful life, determined by reference to comparable assets or based on the period of the lease contract, if shorter.

Depreciation of property, plant and equipment is calculated using the straight-line method over the estimated useful life of Group assets as follows:

Fixtures & Fittings	6.67 years on straight line basis
Computers & office equipment	2 years on straight line basis
Improvement of leased assets	2 - 3 years on straight line basis
Vehicles	4 years on straight line basis

Management reviews the useful lives of depreciable assets at the end of each reporting date.

As at 31 December 2022 management determines the useful life of the assets which represents the expected term of use of the assets by the Group.

The gain or loss arising on the sale of property, plant and equipment is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the statement of profit or loss and other comprehensive income within "Profit / (Loss) from sale of non-current assets".

1.16 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.17 Financial instruments

1.17.1 Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognised when the obligation specified in the contract is fulfilled, cancelled or expires.

1.17.2 Classification and initial measurement of financial assets

Financial assets are initially measured at fair value, adjusted for transaction costs, except for financial assets at fair value through profit or loss and trade receivables that do not have a significant financial component. The initial measurement of financial assets at fair value through profit or loss is not adjusted for transaction costs that are reported as current expenses. The initial measurement of trade receivables that do not have a significant financial component represents the transaction price in accordance with IFRS 15.

Depending on the method of subsequent reporting, financial assets are classified into one of the following categories:

- Debt instruments at amortised cost;
- Financial assets at fair value through profit or loss;
- Financial assets at fair value through other comprehensive income, with or without reclassification in profit or loss, depending on whether they are debt or equity instruments.

The classification of financial assets is determined on the basis of the following two conditions:

- the business model of the Company for the management of financial assets;
- the characteristics of the contractual cash flows of the financial asset.

All income and expense associated with financial assets recognised in profit or loss is included in finance costs, finance income or other finance items, with the exception of the impairment of trade receivables, which is presented within "Other expenses" in the statement for profit or loss and other comprehensive income.

1.17.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following criteria and are not designated for measurement at fair value through profit or loss:

- the Group manages assets in a business model that aims to hold financial assets and collect their contractual cash flows;
- according to the contractual terms of the financial asset at specific dates, cash flows arise, which are only principal payments and interest on the outstanding amount of the principal.

This category includes non-derivative financial assets such as loans and receivables with fixed or determinable payments. After initial recognition, they are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group classifies cash and cash equivalents, trade receivables, card operations receivables and other receivables in this category.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, safeguarded client bank accounts, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. This excludes any blocked cash in respect of which the Group has no rights of use and disposal. Bank overdrafts are shown within borrowings in current liabilities.

Trade and other receivables, Card operations receivables

Trade receivables are amounts due from customers for goods or services sold in the ordinary course of business. Typically, they are due to be settled within a short timeframe and are therefore classified as current. Trade receivables are initially recognised at the amount of unconditional remuneration unless they contain a significant financing component. The Group holds the trade receivables for the purpose of collecting the contractual cash flows and therefore evaluates them at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Card operations receivables are amounts due from the payment services supplier regarding card payments received from clients of myPOS. They are settled through daily cash settlements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

1.17.4 Impairment of financial assets

The impairment requirements under IFRS 9 use more forward-looking information to recognise the expected credit losses - the "expected credit loss" model.

Instruments subject to the impairment requirements under IFRS 9 include loans and other debt financial assets measured at amortised cost, trade receivables, contract assets recognised and measured under IFRS 15, as well as loan commitments and certain financial guarantee contracts (to issuer) that are not carried at fair value through profit or loss.

Recognition of credit losses is not dependent on the occurrence of a credit loss event. Instead, the Group considers a wider range of information in assessing credit risk and assessing expected credit losses, including past events, current conditions, reasonable and supportive forecasts that affect the expected collection rate of the instrument's future cash flows.

In applying this forward-looking approach, a distinction is made between:

- financial instruments whose credit quality has not significantly deteriorated since their initial recognition or the credit risk has not increased significantly (Stage 1) and;
- financial instruments whose credit quality has significantly deteriorated since their initial recognition or the credit risk has increased significantly (Stage 2);
- "Stage 3" includes financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses are recognised for the first category while the expected losses for the full term of the financial instruments are recognised for the second category. Expected credit losses are determined as the difference between all contractual cash flows owed to the Group and the cash flows actually expected to be received by the Group ("cash deficit"). This difference is discounted at the initial effective interest rate (or the effective interest rate adjusted to the credit).

The calculation of expected credit losses is determined on the basis of the probability-weighted estimate of credit losses over the expected period of the financial instruments.

Trade and other receivables, Card operations receivables

The Group uses a simplified approach in accounting for its trade and other receivables as well as its contract assets and recognises impairment losses as expected credit losses over the entire period. They represent the expected shortfall in contractual cash flows, given the possibility of default at any time during the term of the financial instrument.

However if there are individually significant balance, detailed assessment of the expected credit loss may be performed, especially if the client is not performing as expected and overdue period is increasing.

After applying the "expected credit losses" model with regards to the Group's trade and other receivables, values below the materiality threshold for 2022 are reported.

1.17.5 Classification and measurement of financial liabilities

The Group's financial liabilities include card operations payables, trade and other payables.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group has designated a financial liability as measured at fair value through profit or loss.

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for derivatives and financial liabilities that are designated for measurement at fair value through profit or loss (except for derivative financial instruments that are designated and effective as a hedging instrument).

All interest costs and, if applicable, changes in the fair value of the instrument that are recognised in profit or loss are included in financial expenses or financial income.

Trade and other payables, Card operations payables

Trade and other current liabilities are accounted for at the cost of the original invoices (acquisition cost), which is considered the fair value of the transaction and will be paid in the future against the goods and services received. In the case of deferred payments over the usual credit term, where no additional interest payment is provided, or the interest differs significantly from the usual market interest rate, the liabilities are initially measured at their fair value and subsequently - at amortised cost, after deduction of the embedded interest in their nominal value, determined using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

Card operations payables are amounts due to the payment services supplier regarding card payments made by clients of myPOS. They are settled through daily cash settlements.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group obligations are discharged, cancelled, or they expire.

1.18 Income taxes

Tax expenses recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those claims from or obligations to fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provisioned on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same tax authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

1.19 Inventories

Inventories include materials and goods. Cost of inventories includes all expenses directly attributable to the purchase or manufacturing process, recycling and other direct expenses as well as part of the total production costs determined on the basis of normal production capacity. Financing costs are not included in the cost of the inventories. At the end of every accounting period, inventories are carried at the lower of cost and net realizable value. The amount of impairment of inventories to their net realizable value is recognised as an expense for the period of impairment.

Net realizable value is the estimated selling price of the inventories less any applicable selling expenses. In case inventories have already been impaired to their net realizable value and in the following reporting period the impairment conditions are no longer present, then the new realizable value is adopted. The reversal amount can only be up to the carrying amount of the inventories prior to their impairment. The reversal of the write-down is accounted for as decrease in inventory expenses for the period in which the reversal takes place.

The Company determines the cost of inventories by using the weighted average cost method. When inventories are sold, the carrying amount of those inventories is expensed in the period in which the related revenue is recognised. These expenses are presented in note 3, within "Cost of goods sold" position.

1.20 Equity, reserves and dividends payments

Share capital represents the nominal value of shares that have been issued.

All transactions with owners of the Company are presented separately in the statement of changes in equity.

Retained earnings / Accumulated loss includes current financial result and prior period accumulated profits and uncovered losses.

1.21 Pension benefits and short-term employee benefits

The Group reports short-term payables in relation to unutilised paid leaves, when the leaves are expected to be utilised within 12 months after the end of the accounting period for which the employees have performed the work related to those leaves. The short-term payables to personnel include wages, salaries and related social security payments.

According to the requirements of the Labour Code in Bulgaria, in case of retirement, after the employee has gained the legal right of pension due to years of services and age, the Group is obliged to pay him/her compensation up to six gross salaries. The Group has accrued a legal obligation to pay benefits to employees upon retirement in accordance with the requirements of IAS 19 "Employee Benefits" based on projected payments until the retirement date of all employees, discounted to present with the long-term interest rate of risk-free securities.

Defined benefit plans are retirement plans that determine the amount the employee will receive after retirement in relation to the duration of the service and the last remuneration. Legal obligations for the payment of the defined benefits remain liability of the Group, even if the assets plan does not cover the defined benefit plan.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the end of the reporting date, recorded within Salaries and pension contributions within trade and other payables as disclosed in note 18.

Net interest expense related to pension obligations is included in the statement of profit or loss and other comprehensive income within "General and administrative expenses".

Short-term employee benefits, including holiday entitlement, are current liabilities included within "Trade and other payables", measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.22 Provisions, contingent liabilities and contingent assets

Provisions are recognised when a current obligation as a result of past events will probably lead to an outflow of resources from the Group and obligation amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the existence of a legal or constructive obligation as a consequence of past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of such obligations, the probable need for an outflow for the settlement of the obligation is determined by taking into account the Group of liabilities as a whole. Where the effect of the time value of money is material provisions are discounted.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognised, less discounting it to reflect time value of money.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered as contingent assets.



myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

1.23 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

1.23.1 Revenue

Regarding the intermediation services, the Management believes that the following factors indicate that the Group acts as an agent:

- The Group neither acquires ownership nor is exposed to the risk associated with the main service to the customer and has no significant liability with respect to the provided services.
- The Group does not collect revenue from the end customer and all risk is borne by the service provider.

1.23.2 Recognition of expected income from commission contracts

As the income from commission contracts is recognized over time, the amount of recognized income during the reporting period depends on the extent to which the performance obligation is met. Incentive agreements require an estimate of the quantities of transactions to be provided, based on the experience gained from such contracts.

1.23.3 Incremental costs of obtaining a contract

In 2022, myPOS Payments Ltd received all necessary licenses in respect to entering into contracts with customers. In 2022, Incremental costs of obtaining a contract represent costs for attracting customers from UK, Switzerland, and Gibraltar. The Group had incurred costs in the amount of EUR 97 thousand in respect of commissions related to long-term contracts with customers. The costs are directly related to the contract, generate resources that will be used to perform the contract and are expected to be reimbursed. They were therefore recognized as an asset of incremental costs of obtaining a contract. The asset is depreciated on a straight-line basis over the expected life of the contracts to which it relates, in accordance with the recognition model of related income. No incremental costs of obtaining of a contract have been written off in 2022.

1.23.4 Internally generated intangible assets and research expenditure

Management controls internal research and development projects using a project management system. Considerable judgment is needed in distinguishing research from the development phase. Development expenditure is recognised as an asset when they meet all the criteria while the research expenditure is recognised when incurred.

In order to distinguish the research from the development phase of a certain project, the accounting policy of the Group requires a detailed forecast of sales or reductions in costs that are expected to be realised by the intangible asset. The forecast is included in the general budget forecast when the capitalisation of development expenditure begins. In this way, it is ensured that management accounting, impairment tests and the accounting for internally generated intangible assets are based on the same data.

The Group's management also observes whether the research expenditure continue to meet the recognition criteria.

On 1 January 2021, Management reassessed the useful life of the myPOS Platform and extended it by three additional years until 1 April 2026, on the basis of the constant upgrades and developments being made to the software and the performed net present value analysis which indicated an estimated fair value of several times more than the carrying amount. Had the accounting policy not been changed, the amortization charge for 2022 would have been EUR 2,960 thousand compared to the actual amortization charge in the year of EUR 1,228 thousand.

1.23.5 Deferred tax assets

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the latest approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The



myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed by management based on the specific facts and circumstances.

1.23.6 Term of lease agreements

In determining the term of the lease agreements, Management takes into account all facts and circumstances that create an economic incentive either exercise an option to extend or not to exercise an option to terminate. Extension options (or periods after termination options) are included in the lease term only if it is sufficiently certain that the lease will be extended (or will not be terminated).

The lease term is being reconsidered if the option is actually exercised (or not exercised) or the Company engages to exercise it (or not). The reasonable assurance assessment is reviewed only if a significant event or significant change in circumstances affects that assessment and it is under the control of the lessee.

1.23.7 Useful life of depreciable assets

Management reviews the useful lives of depreciable assets at the end of each reporting date.

As at 31 December 2022 management determines the useful life of the assets which represents the expected term of use of the assets by the Group.

1.23.8 Impairment of investments

The Group tests cash-generating units with goodwill annually for impairment, or more frequently if there is an indication that a cash-generating unit to which goodwill has been allocated may be impaired. The recoverable amount of a cash generating unit is the higher of the cash-generating unit's fair value less cost of disposal ('FVLCD') and its value-in-use. FVLCD is determined based on the market capitalization approach, using the turnover and earnings multiples derived from observable market data. Calculation of the value-in-use is determined by covering a detailed three-year forecast approved by the management, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by management. The present value of the expected cash flows of each cash generating unit is determined by applying a suitable discount rate reflecting current market assessments of the time value of money.

The Company assesses any potential impairment of investments by initially estimating if there are indications for impairment by comparing the net assets of the subsidiary with the amount of the investment. If the amount of net assets is lower, a fair value testing of the investment is made by using the discounted cash flow method. If fair value amount is lower than the amount of the investment, impairment expense is charged. If in any of the following periods fair value testing shows result higher than the book value of the investment, the difference, up to the initial amount of the investment, is booked as other income.

1.24 Client E-Money

The Group holds client money in respect of electronic money services with its regulated subsidiary myPOS Payments Ltd. In the prior year these balances were offset against the associated liability to clients and payment partners in error and adjustments have been made to show the gross amounts within cash at bank and in hand, other receivables, and other payables in accordance with regulatory requirements, all client cash is segregated and reconciled on daily basis.

As at 31 December 2022 the liability toward the e-money clients under Payment Services Regulations 2017 and the Electronic Money Regulations 2011 amounted to € 35,391 (2021: € 30,198) thousand and the associated funds were held in segregated bank accounts.

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

2. Revenue

	2022	2021
Revenue analysed by class of business		
Revenue from commissions	53,950	37,788
Revenue from sales of goods	5,212	4,957
Revenue from sales of services	1,010	584
Total	60,172	43,329
Revenue by geographical market		
Europe, excluding United Kingdom	54,706	42,621
United Kingdom	5,466	708
Total	60,172	43,329

The total revenue of the Group represents revenues earned from the provision of electronic money, providing payment services, intermediary services and sale of card terminals.

	2022	2021
Other income		
Other financial charges	1,425	891
Income from delivery services	242	196
Total	1,667	1,087

	2022	2021
Deferred Revenue		
Brought forward	978	980
Movement	243	(2)
Carried forward	1,221	978

	2022	2021
Accrued Revenue		
Brought forward	342	181
Movement	818	161
Carried forward	1,160	342

3. Cost of sales

	2022	2021
Commission cost	(9,795)	(7,749)
Cost of goods sold	(9,190)	(5,592)
Bank charges	(282)	(279)
Professional services	(37)	(24)
Total	(19,304)	(13,644)

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

4. General and administrative costs

	2022	2021
Remuneration costs	(16,717)	(10,273)
Professional services	(7,112)	(4,860)
Communication costs	(1,974)	(843)
Rent & premises expenses	(966)	(702)
Other administrative costs	(1,419)	(790)
Audit & accountancy fees	(530)	(436)
Delivery costs	(797)	(482)
Travel & entertainment	(896)	(363)
Office supplies	(371)	(247)
Social security costs	(22)	(3)
FX Gains and Losses	(36)	(49)
Bank and transaction fees	(91)	(54)
Total	(30,931)	(19,102)

Charge to profit or loss in respect of defined contribution schemes amounts to EUR thousand (2021: EUR 24 thousand).

	2022	2021
Directors' remuneration costs	(416)	(722)
Directors' pension contributions	(13)	(7)
Total	(429)	(729)

Company's highest paid Director's remuneration in 2022 is amounting to EUR 54 thousand (2021: EUR 23 thousand)

Group's highest paid Director's remuneration in 2022 is amounting to EUR 194 thousand (2021: EUR 359 thousand).

The average monthly number of persons (including directors) employed by the Company and the Group during the year was:

	2022	2021
GROUP		
Management	15	15
Administration	392	285
Total	407	300
COMPANY		
Management	3	3
Total	3	3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

Fees payable to the Company's auditor for the audit of the Company and consolidated financial statements.

	2022	2021
Audit of parent and the Group	(135)	(111)
Non-audit services to parent and the Group	-	(2)
Audit of subsidiary undertaking	(80)	(76)
Non-audit services to subsidiary undertakings	(7)	(6)
Total	(222)	(195)
5. Impairment and other charges		
	2022	2021
Incremental costs of obtaining a contract	-	(990)
Loans provided	(470)	(454)
Trade receivables	(1)	(9)
Card operations receivables	(198)	(112)
Write-off of intangible assets	(103)	
Stock impairment	(12)	35
Reversed impairment	160	-
Work in progress	(107)	-
Total	(731)	(1,530)
6. Finance income		
	2022	2021
Interest Income	146	23
Total	146	23
7. Finance costs		
	2022	2021
Negative interest	(765)	(843)
Interest expenses	(3)	(38)
Total	(768)	(881)

8. Income taxes

	2022	2021
Profit before tax:	6,516	6,669
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2021: 19% in UK):	(1,238)	(1,267)
Adjustments that result in a change in the effective tax rate:	34	484
Current income tax expenses	(1,204)	(783)
Deferred tax due to temporary differences	96	44
Tax income (expense)	(1,108)	(739)
Deferred tax assets		
Impairment	236	222
Income tax loss	176	118
Accruals for unused paid leave	56	33
Low capitalization	-	1
Others	15	14
Personnel income upon retirement	7	6
Deferred tax assets, total	490	394

9. Inventory

Inventories are stated at lower of cost and net realisable value. Cost is based on the actual historic cost of purchase. Net realisable value is based on the estimated selling price less any disposal.

	2022	2021
Stock	3,806	3,420
<i>Impairment of stock</i>	<i>(550)</i>	<i>(538)</i>
Stock, net	3,168	2,882
Stock in transit	1,482	685
Total	4,738	3,567

The Group recognized of impairment of stock at amount of EUR 12 thousand (2021: reversal of impairment for EUR 35 thousand). During 2021 the Group has managed to sell devices, which were previously impaired.

10. Trade and other receivables and loans granted

GROUP	2022	2021
Receivables from acquirers, net	2,485	2,000
Other debtors	875	634
Accrued revenue	1,160	342
Trade receivables	1,352	954
Prepayments	912	422
VAT receivables	568	229
Total	7,352	4,581



myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

GROUP	2022	2021
Loans granted	1,745	-
Loans granted to related parties	166	-
Impairment on loans granted	(631)	-
Total	1,280	-

GROUP	2022	2021
Receivables from acquirers	3,919	3,236
Impairment of card operations receivables	(1,434)	(1,236)
Receivables from acquirers, net	2,485	2,000

COMPANY	2022	2021
Related party receivables	854	42
Prepayments	8	10
Other Debtors	58	-
Total	920	52

Company	2022	2021
Loans granted	1,745	-
Loans granted to related parties	166	-
Impairment on loans granted	(631)	-
Total	1,280	-

Loan receivables represent amounts owed by the distributors under formal loan agreements. All loans are unsecured and repayable on demand. The loans are granted at 3.2% interest rate on a 365-day basis, which is deemed market rate for the period under review.

All trade and other receivables are short-term. The net book value of trade and other receivables is measured at amortised cost and is considered as a reasonable estimate of their fair value.

All Group's trade receivables have been reviewed for occurrence of defaults and a simplified approach has been applied to determine the expected credit losses as at the end of the year. The analysis of the management shows that the effect of the expected credit losses is negligible, hence no expenses are recognized during current and previous period.

All Group's loans granted have been reviewed for occurrence of defaults and a general approach has been applied to determine the expected credit losses as at the end of the year. The analysis of the management shows that the effect of the expected credit losses is amounting to EUR 470 thousand (2021: EUR 454 thousand). These amounts are recognized in the statement of comprehensive income (see note 5).

11. Cash and cash equivalents

GROUP	2022	2021
Bank and cash	5,498	4,271
Segregated Bank Accounts	34,527	28,387
Total	40,025	32,658

COMPANY	2022	2021
Bank and cash	2	-
Total	2	-

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

12. Intangible assets

GROUP

	Software and other
Cost as at 1 January 2021	6,249
Additions	2,021
Disposals	-
Exchange differences	-
Balance as at 31 December 2021	8,270
Accumulated impairment as at 1 January 2021	(2,333)
Amortization charge for the year	(1,028)
Disposals	-
Accumulated amortization as at 31 December 2021	(3,361)
Net Carrying amount as at 31 December 2021:	4,909
	Software and other
Cost as at 1 January 2022	8,270
Additions	1,967
Disposals	-
Write-off	(104)
Exchange differences	-
Balance as at 31 December 2022	10,133
Accumulated amortization as at 1 January 2022	(3,361)
Amortization charge for the year	(1,255)
Disposals	-
Accumulated amortization at 31 December 2022	(4,616)
Net Carrying amount as at 31 December 2022:	5,517

As of the financial year end 2022, the Group has recognized in its statement of financial position EUR 527 thousand work in progress related to software in stage of development (EUR nil for 2021).

The Company has no intangible assets at 31 December 2022 (2021: nil).

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

14. Incremental costs of obtaining a contract

GROUP

Gross carrying amount	2021
As at 1 January 2021	1,707
Additions	91
Disposals	(1,798)
As at 31 December 2021	-
Amortization and impairment	
As at 1 January 2021	(692)
Amortization for the period	(115)
Disposals	807
As at 31 December 2021	-
Net book value	
As at 1 January 2021	1,015
As at 31 December 2021	-
Gross carrying amount	2022
As at 1 January 2022	-
Additions	97
Disposals	-
As at 31 December 2022	97
Amortization and impairment	
As at 1 January 2022	
Amortization for the period	(5)
Disposals	-
As at 31 December 2022	(5)
Net book value	
As at 1 January 2022	-
As at 31 December 2022	92

The Group recognises incremental costs of obtaining a contract under IFRS 15. These are specifically defined contract costs that will improve the Group's resources in the future and are expected to be recovered.

The Group has EUR 5 thousand incremental costs of obtaining a contract at 31 December 2022 (2021: none).

Based on review for impairment indicators of non-current intangible assets, the Group's management has not established any indications that the carrying amount of the assets exceeds their recoverable amount.

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

15. Other non-current assets

GROUP	2022	2021
Loan receivables	-	1,476
	-	<u>1,476</u>

As of the end of financial 2022 year the Company has granted loans amounting to EUR 15,309 thousand (2021: EUR 13,792 thousand). There are three related parties contracts outstanding with expiration date December 2024 and interest rate 3.2%. Loans receivables from related parties are amounted to EUR 15,159 thousand (EUR 12,613 thousand).

16. Right-of-use-assets

The Group has lease contracts for rental of office buildings for stores/head office for EUR 5,705 thousand, motor vehicles for EUR 534 thousand and equipment for EUR 1,180 thousand. Leases have remaining lease terms up to six years, some of which have the option to extend the lease term for an additional six years. The Group recognizes lease extension and termination options that Management is reasonably certain to exercise when determining the lease term used to establish our right-of-use assets and lease liabilities. As of 31 December 2022 and 2021 the Group is not aware of any unrecognized leases. The Group's lease agreements do not contain any residual value guarantees or restrictive covenants.

	Buildings	Vehicles	Equipment	Total
Cost as at 1 January 2021	2,258	57	585	2,900
Additions	852	226	-	1,078
Disposals	-	-	-	-
As at 31 December 2021	3,110	283	585	3,978
Accumulated amortization and impairment as at 1 January 2021	(920)	(14)	(282)	(1,216)
Amortization charge for the year	(735)	(32)	(291)	(1,058)
Disposals	-	-	-	-
As at 31 December 2021	(1,655)	(46)	(573)	(2,274)
Net carrying amount as at 31 December 2021:	1,455	237	12	1,704

	Buildings	Vehicles	Equipment	Total
Cost as at 1 January 2022	3,110	283	585	3,978
Additions	6,483	412	1,229	8,124
Disposals	(1,220)	(40)	-	(1,260)
As at 31 December 2022	8,373	655	1,814	10,842
Accumulated amortization and impairment as at 1 January 2022	(1,655)	(46)	(573)	(2,274)
Amortization charge for the year	(1,679)	(80)	(61)	(1,820)
Disposals	737	5	-	742
As at 31 December 2022	(2,597)	(121)	(634)	(3,352)
Net carrying amount as at 31 December 2022:	5,776	534	1,180	7,490

As of the financial year end 2022 the Group has recognized in its statement of financial position outstanding current lease liability of EUR 2,115 thousand (2021: EUR 780 thousand) and non-current lease liability of EUR 5,145 thousand (2021: EUR 907 thousand). Current lease liabilities are presented within note 18 "Trade and other payables" and non-current lease liabilities within note 19 "Non-current liabilities".

For the financial year ended December 2022 the Group has recognized in its statement of comprehensive income interest on lease contracts amounting to EUR 193 thousand (2021: EUR 47 thousand).

Cash outflow related to leased assets in 2022 amounts to EUR 2,026 thousand (2021: EUR 1,078).

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

17. Goodwill

GROUP	Goodwill
Cost as at 1 January 2021	447
Balance as at 31 December 2021	447
Accumulated impairment as at 1 January 2021	(145)
Impairment	(82)
Accumulated impairment as at 31 December 2021	(227)
Net Carrying amount as at 31 December 2021:	220
	Goodwill
Cost as at 1 January 2022	447
Additions	400
Balance as at 31 December 2022	847
Accumulated impairment as at 1 January 2022	(227)
Accumulated impairment as at 31 December 2022	(227)
Net Carrying amount as at 31 December 2022:	620

The goodwill opening balance related to the purchase of subsidiary undertakings Payment Technology SARL (a company registered in France), myPOS Belgium BVBA (a company registered in Belgium), myPOS Portugal – Payment Technologies LDA (a company registered in Portugal) and MyPOS Experience Center RO SARL (a company registered in Romania). Goodwill is impaired in accordance with IAS 36 'Impairment of assets'.

In July 2022, the Group acquired 10,000 shares of MyPOS Experience Center RO SARL, which represents 99.01% of the voting rights, through myPOS Partners for amount of RON 10 thousand (EUR 2 thousand).

The excess of the total of the carrying value of the non-controlling interests and the fair value of the consideration paid over the acquisition date – net assets of the acquired entity results in a goodwill amounting to EUR 400 thousand. Goodwill calculations assume, that the fair value of individual net assets of the investee, which are predominantly short-term in nature, is equal to the reported book value of the assets transferred as at the acquisition date. MyPOS Experience Center RO didn't own any significant assets as at the acquisition date, which further support the assumption used.

The Group has acquired cash and cash equivalents at amount of EUR 50 thousand, and net asset (excluding cash and cash equivalents) at amount of EUR (445) thousand, as a result of the business combination.

Although, the entity has significant accumulated losses, the management expects that the company will become profitable in near future. In addition, the clients portfolio of myPOS Experience Center RO SARL will bring significant economic benefits to the Group, based on processed volume of already activated devices.

As at 31 December 2022, as a result of the acquisition, there is NCI of EUR 4 thousand. Fair value of the NCI is calculated as non-controlling interests in the entity is multiplied by the net assets of the acquiree.

Goodwill resulting from the acquisition is not tax deductible.

The amounts included in the consolidated statement of the acquiree since the acquisition date for the reporting period are:

- Revenue at amount of EUR 216 thousand;
- Loss at amount of EUR 87 thousand.

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

No contingent consideration arrangements and indemnification assets are recognized in respect of the acquisition. During the period there were not transactions that are recognized separately from the acquisition of assets and assumption of liabilities in the business combination.

18. Trade and other payables

GROUP	2022	2021
Payables to suppliers	6,683	3,652
Payables to issuers	926	215
Other creditors	1,080	1,234
Deferred revenue	1,221	978
Payables to Leased Contracts	2,116	780
Salaries & Pension Contributions	1,692	1,338
Provisions	437	335
Short-term loans	26	32
VAT payables	34	143
Related party creditors	-	-
Total	14,215	8,707
Loans received	-	2
Related party loans received	-	-
Total	-	2
COMPANY	2022	2021
Related party creditors	456	3
Accruals	156	135
Payables to suppliers	220	-
Other creditors	1	13
VAT payables	-	3
Total	833	154
Loans received	-	2
Related party loans received	-	6,169
Total	-	6,171

All loans are in EUR at 3.2% interest rate on a 365-day basis which is deemed market rate for period under review. The loans are not secured.

Included with payables to merchants are amounts owed to clients and payment partners of EUR 35,392 thousand (2021: EUR 30,198 thousand) which relate to the Company's e-money and payment services business. Cash at bank and in hand includes an associated amount of EUR 33,219 thousand (2021: EUR 28,387 thousand) which relates to the safeguarded client bank accounts. Other debtors include EUR 2,053 thousand (2021: EUR 1,636 thousand) receivable from payment partners.

Salaries and pension contributions include defined benefit obligation of EUR 80 thousand as at 31 December 2022 (2021: EUR 60 thousand), including related pension interest obligation at amount of EUR 3 thousand (2021: EUR 2 thousand). During the year, additions to the defined benefit obligation pertain to current service cost included within "Remuneration costs" in Note 4 amounting to EUR 20 thousand (2021: EUR 24 thousand).



myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

19. Non-current liabilities

GROUP	2022	2021
Payables to Leased Contracts	5,145	907
Related party loans received	72	-
Others	97	52
Total	5,314	959

COMPANY	2022	2021
Related Party Loans received	6,212	-
Total	6,212	-

20. Investments in subsidiaries

COMPANY

Cost	Shares in subsidiary undertaking
As at 1 January 2021	2,389
Additions	1,000
Balance as at 31 December 2021	3,389
As at 1 January 2022	3,389
Additions	2,000
As at 31 December 2022	5,389
Carrying amount	
As at 31 December 2021	3,389
As at 31 December 2022	5,389

Group and Company

On 10 August 2022 myPOS Ltd (Ireland) issued 2,000,000 new shares which were purchased by myPOS World Ltd for their nominal value of €1 each.

Group

On 2 July 2022, the Group acquired 99% of the capital of myPOS Experience Centre RO SARL, a company registered in Bucharest, Romania, through its wholly-owned subsidiary myPOS Partners Ltd. The share capital of myPOS Experience Centre RO SARL is EUR 2,112. (see note 17 for more information).

On 28 April 2022, the Group established new wholly owned entity - myPOS Hungary KFT, a company registered in Budapest, Hungary, through its subsidiary myPOS Partners Ltd. The share capital of myPOS Hungary KFT is EUR 3,960 EUR.

On 19 September 2022 the Group established another wholly owned entity - myPOS Experience Centre Ltd, a company registered in Dublin, Ireland, through its subsidiary myPOS Partners Ltd. The share capital of myPOS Experience Centre Ltd is EUR 10,000 EUR.

The Group has no contingent liabilities or other commitments related to the subsidiaries in which it has invested.



myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

Details of the Company's subsidiaries at 31 December 2022 are as follows:

Companies in the Group	Registered office	Functional currency	Presentation currency	Parent company's ownership - %	Nature of business
myPOS World Ltd	UK, The Shard Level 24, 32 London Bridge Street, London, SE1 9SG	GBP	EUR	N/A	Parent / holding company
myPOS Payments Ltd	UK, The Shard Level 24, 32 London Bridge Street, London, SE1 9SG	GBP	EUR	100%	E- money, Payment services
myPOS Technologies AD	Bulgaria, Business park Varna, B1 building, Varna	BGN	BGN	99.98%	Financial Intermediation
myPOS Technologies LLC*	USA, 4770 Biscayne Blvd, Miami, Florida 33137	USD	USD	99.98%	Software provider
myPOS Services OOD	Bulgaria, Business park Varna, B1 building, Varna	BGN	BGN	99%	Sale of POS terminals
myPOS BG EOOD*	Bulgaria, Business park Varna, B1 building, Varna	BGN	BGN	99%	Sale of POS terminals
myPOS Partners Ltd	UK, 1 Temple Avenue, London, England, EC4Y 0HA	EUR	EUR	100%	Financial intermediation
myPOS Swiss AG*	Switzerland, Zurich, Dufourstrasse 59, 8008	EUR	EUR	100%	Sale of POS terminals
myPOS AT GmbH*	Austria, Wien, Jordangasse, 7/12	EUR	EUR	100%	Sale of POS terminals
myPOS Italy SRL*	Italy, Milano, Corso Europa, 11	EUR	EUR	90%	Sale of POS terminals
myPOS GB Ltd*	UK, 1 Temple Avenue, London, England, EC4Y 0HA	EUR	EUR	100%	Sale of POS terminals
myPOS Netherlands B.V.*	Netherlands, Tilburg, Tivolistraat 50	EUR	EUR	100%	Sale of POS terminals
myPOS Experience Centers B.V.*	Netherlands, Amsterdam, Cruquiuskade 253	EUR	EUR	100%	Sale of POS terminals
myPOS Belgium BVBA*	Belgium, Antwerpen, Drukkerijstraat 16	EUR	EUR	100%	Sale of POS terminals
Payment Technology SARL*	France, Paris 08, Rue Villaret De Joyeuse 2	EUR	EUR	100%	Sale of POS terminals
myPOS Portugal – Payment Technologies LDA*	Portugal, Lisboa, Avenida 5 De Outibro N177	EUR	EUR	100%	Sale of POS terminals
myPOS AG	Liechtenstein, Kirchstrasse 1, Vaduz 9490	CHF	EUR	94%	Investment management
myPOS Ltd	Ireland, 5 th floor, 40 Mespil Road, Dublin 4, D04 C2N4	EUR	EUR	100%	Payment services
MyPOS Experience Center RO SARL*	Grand Offices building, Calea Floreasca nr 55, Sector 1, Bucuresti	RON	EUR	99%	Sale of POS terminals
myPOS Experience Centre Ltd*	12 St. Stephens Green, Dublin 2	EUR	EUR	100%	Sale of POS terminals
myPOS Hungary KFT*	1136 Budapest, Balzac utca 37. mf 2.	HUF	EUR	100%	Sale of POS terminals

* Indirect subsidiaries

The directors consider the non-controlling interest immaterial for the purpose of any additional disclosures.

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

21. Called up shared capital

The share capital of the Group is divided into ordinary registered shares with a nominal value of GBP 1. All shares are entitled to receive dividends and liquidation share and represent one vote of the General Meeting of Shareholders of the Group.

Ordinary share capital	2022	2021
Issued and fully paid		
1,000,000 Ordinary shares of £1 each	1,140	1,140
Total	1,140	1,140

22. Contingent assets and contingent liabilities

No contingent assets or contingent liabilities have occurred for the Group or the Company.

23. Related parties

A list of all companies in the Group are presented in note 20.

Companies under common control or significant influence:

Novapay Technologies Inc
 Fintech Ventures Partners Ltd
 myPOS LLC
 NVP Ventures Holdings B.V.

GROUP	2022		
	Turnover	Receivables	Payables
Sales	-	-	-
Purchases	-	-	-
Loan granted	-	157	-
Loan payables	-	-	70
Interest Income	-	9	-
Interest Expense	-	-	2
	2021		
	Turnover	Receivables	Payables
Sales	-	-	-
Purchases	-	-	-
Loan granted	-	134	-
Loan payables	-	-	-
Interest Income	-	1	-
Interest Expense	-	-	-

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

All amounts are presented in EUR (000) unless otherwise stated.

COMPANY	2022		
	Turnover	Receivables	Payables
Sales	1,120	854	-
Purchases	798	-	456
Loan granted	-	15,414	-
Loan payables	-	-	6,209
Interest Income	-	61	-
Interest Expense	-	-	3

COMPANY	2021		
	Turnover	Receivables	Payables
Sales	45	42	-
Purchases	151	-	3
Loan granted	-	12,481	-
Loan payables	-	-	6,163
Interest Income	-	132	-
Interest Expense	-	-	5

Conditions of related party transactions

All related party transactions are carried out at market prices. Settlement of liabilities is made in cash. No performance guarantees have been received or provided for related party receivables and payables. The management of the Company reviews the impairment at the end of the year on the basis of a financial analysis of the related party's financial position.

All granted loans between related parties are short-term. Interest rates applicable on these loans is reviewed by the management on cyclical basis to align them with the market rates.

There are no guarantees which may restrict dividend and other capital distribution being paid to (or from) other entities within the Group.

Remuneration of key management personnel

During the year, the Company solely has paid EUR 58 thousand to the Board of Directors (2021: EUR 26 thousand).

During the year, the Group has paid remuneration of EUR 429 thousand to the Board of Directors (2021: EUR 2,957 thousand).

24. Categories of financial assets and financial liabilities.

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities and approximates to their fair value:

	Note	2022	2021
Financial assets:			
Cash and cash equivalents	11	40,025	32,658
Trade receivables	10	1,352	954
Receivables from acquirers	10	2,485	2,000
Other receivables	10	875	976
Loans granted	10	1,280	-
Other non-current assets	15	-	1,476
Total financial assets		46,017	38,064

	Note	2022	2021
Financial liabilities:			
Other payables	18	4,161	4,275
Trade payables	18	6,683	3,652
Payables to merchants		35,391	30,198
Loans received	18	72	2
Payables to leased contracts	16	7,261	1,687
Other non-current trade payables	19	97	52
Amounts due to related parties	23	-	-
Total financial liabilities		53,665	39,866

See note 1.18 for information on the accounting policy for each category of financial instruments.

24.1 Financial instruments risk

The Group is exposed to various risks in relation to financial instruments. For more information on the Group's financial assets and liabilities by categories see note 23.6. The main types of risks the Group is exposed to are market risk, credit risk and liquidity risk.

The Group's risk management is well coordinated, in close co-operation with the Board of Directors and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

24.2 Market risk analysis

As a result of the use of financial instruments, the Group is exposed to market risk and in particular to the risk of exchange rate changes, interest rate risk as well as the risk of changes in specific prices due to the Group's operating and investing activities.

Market risk is the risk of an adverse movement in the value of an investment or non-base currency deposit which will result in a realised or unrealised loss. The Group's market risk only arises on fees, interest and assets in non-Euro currencies. To mitigate market risk, fees are predominately charged in Euro to limit the currency exposure. Large currency balances are also converted into Euro to prevent large currency balances. The Group does deal in instruments based on expectations in changes in market prices.

24.3 Operational risk

The Group's operational risk is the risk that the Group will derive losses through inherent failure in its processes, personnel, technology, infrastructure or external forces impacting on any of these. These risks are countered through regular assessment of the likelihood of these risks by the board. The board is confident that appropriate systems and controls are in place to address and mitigate such identified operational risk.



myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are presented in EUR (000) unless otherwise stated.

24.4 Currency risk

The Group makes purchases, sales and provides loans in local currency - Euro. The Group has also transactions in BGN currency, which has fixed rate to EUR – 1.9583. Management considers that the risk of exchange rate fluctuations of the other currencies used in the Group's activities is insignificant.

	USD	CHF	CZK	ISK	HRK	RON	PLN	GBP	DKK	NOK	SEK	HUF	JPY
Closing rate of ECB as at 31.12.2022	0.937556	1.01554	0.041467	0.00660	0.13269	0.20204	0.21364	1.12748	0.13447	0.09511	0.08991	0.00249	0.00711
Assets and liabilities denominated in EUR are presented as follows:													
Financial assets:													
Cash and cash equivalents	1	3	4	456	20	5	6	114	27	-	19	1,137	-
Trade receivables	28	1,085	1	(1)	2	4	-	654	3	0	1	17	-
Other receivables	7	-	-	-	-	-	-	70	-	-	-	-	-
Loans granted	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities:													
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payables	-	(20)	-	(4)	(1)	(1)	-	(58)	(5)	-	-	(3)	-
Loans received	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables	(1,678)	(712)	-	-	1	-	-	(1,171)	(1)	-	-	(1)	-
Payables to Leased Contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current trade payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Total foreign exchange risk	(1,642)	356	5	451	22	8	6	(391)	24	0	20	1,150	-
Currency risk analysis in case of change in rate by 1% compared to the exchange rates as at 31.12.2022	(16)	4	-	5	-	-	-	(4)	-	-	-	11	-

The Group operates internationally and is exposed to foreign exchange risk, primarily the US dollars, British pounds, Swiss francs, Romanian Leu and Hungarian Forint.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are presented in EUR (000) unless otherwise stated.

The risk is measured through a forecast of highly probable US dollar and Swiss Francs expenditures. The risk is managed with the objective of minimising the volatility of the currency cost of highly probable forecast inventory purchases.

Exposure to exchange rate fluctuations varies from one year to the next, depending on the volume of international transactions. However, the analysis presented above is considered to represent the degree of the Group's exposure to currency risk.

24.5 Interest rate risk

The Group's activities are subject to risk of interest rate fluctuations to the extent that the interest-bearing assets and interest-bearing liabilities are subject to changes in the interest rates at different time and to varying degrees.

The main current financial assets of myPOS Group are negotiated at a fixed interest rate. There are some finance lease contracts, which are concluded at floating interest rates (EURIBOR plus margin). Interest costs related to these contracts are considered as insignificant for the Group. Due to these facts that the Management considers that the Group is not exposed to a significant risk of changes in the market interest rates within the next reporting period.

Upon change in interest rates, the Management considers that the effect on the Group is insignificant and therefore it is not exposed to material interest rate risk.

24.6 Credit risk analysis

The credit risk to which the Group is exposed is determined by the subject of activity - performing intermediary services for financial institutions and the probability that the receivables of the Group will not be collected. The main part of the Group's receivables is formed by financial institutions with good credit rating subject to strict financial control by state bodies. Payments to financial institutions are made on a net, daily basis, currently during the period, according to the contractual agreements. The receivables presented are formed at the end of the period, with no late payments.

On the other hand, management is most conservative in respect of the part of receivables arising from entities other than financial institutions, which is why they are fully impaired when performing a regular review of the collectability of financial assets.

Based on the experience, the expected credit losses for the Group are insignificant in relation to the realised financial result.

	2022	2021
Cash and cash equivalents	40,025	32,658
Trade receivables	1,352	954
Other receivables	875	976
Receivables from acquirers	2,485	2,000
Loans granted	1,280	-
Other non-current assets	-	1,476
Total financial assets:	46,017	38,064

The Group continuously monitors defaults of customers and other counterparties and uses this information to assess the credit risk.

With respect to trade and other receivables, the Group is not exposed to significant credit risk to any individual counterparty or to a group of counterparties that have similar characteristics. Trade receivables consist of a small number of customers with high credit ratings. Based on historical indicators, the Management believes that the credit assessment of trade receivables is good.

Credit risk on cash and cash equivalents is considered insignificant as the counterparties are reputable banks with a high external credit rating.

An impairment loss is not recognized in respect of loans and receivables from related parties. The carrying amounts described above represent the maximum possible exposure to credit risk of the Company in respect of these financial instruments.

The Group applies the simplified model of IFRS 9 for recognizing expected credit losses over the life of the asset for all trade receivables and contract assets, as they do not have a significant financial component.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are presented in EUR (000) unless otherwise stated.

In determining the amount of expected credit losses, trade receivables are assessed on a collective basis, as they have similar characteristics of credit risk. They are grouped according to the nature of the receivables.

Expected loss levels are based on the sales revenue profile for the last 48 months before 31 December 2022 and 31 December 2021, as well as the corresponding historical credit losses during that period. Historical percentages are adjusted to reflect current and future macroeconomic factors affecting the client's ability to settle the outstanding amount. However, given the short period at credit risk, the impact of these macroeconomic factors is not considered significant during the reporting period.

24.6.1 Liquidity risk analysis

Liquidity risk is that the Group may not be able to meet unconditionally all its obligations within their maturity. The Group generates a sufficient volume of liquid funds. The internal source of liquid funds of the Group is its main business activity generating sufficient operational flows.

The Company is not subject to any externally imposed compliance, however, its regulated subsidiary, myPOS Payments Ltd, needs to comply with the Financial Conduct Authority's systems and control requirements.

The Group's policy for managing liquidity is to only pay-out funds to customers once the customer has sent the payment and to assure that there are sufficient capital resources to meet its operational liabilities (salaries, supplier invoices) when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's position.

In order to isolate potential liquidity risk, the Group operates with a system of alternative mechanisms of action and forecasts, the final effect of which is the maintenance of good liquidity, respectively the ability to finance its business activity. This is complemented by ongoing monitoring of maturities of assets and liabilities and control of cash outflows.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarized below:

			2022	
	< 3 months	> 3 months	Total contractual cash flows	Carrying Amount
Financial liabilities				
Financial liabilities at amortized cost:				
Amounts due to related parties	-	-	-	-
Clients' payables	(35,391)	-	(35,391)	(35,391)
Other payables	(3,724)	(437)	(4,161)	(4,161)
Related Party Loans received	-	(72)	(72)	(72)
Trade payables	(6,683)	-	(6,683)	(6,683)
Other non-current trade payables	-	(97)	(97)	(97)
Payables to leased contracts	(558)	(7,078)	(7,636)	(7,261)
Total financial liabilities	(46,356)	(7,684)	(54,040)	(53,665)

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are presented in EUR (000) unless otherwise stated.

			2021	
	< 3 months	> 3 months	Total contractual cash flows	Carrying Amount
Financial liabilities				
Financial liabilities at amortized cost:				
Amounts due to related parties	-	-	-	-
Clients' payables	(30,198)	-	(30,198)	(30,198)
Other payables	(2,053)	(2,222)	(4,275)	(4,275)
Related Party Loans received	-	(2)	(2)	(2)
Trade payables	(3,652)	-	(3,652)	(3,652)
Other non-current trade payables	-	(52)	(52)	(52)
Payables to lease contracts	(207)	(1,535)	(1,742)	(1,687)
Total financial liabilities	(36,110)	(3,811)	(39,921)	(39,866)

24.7 Capital management policies and procedures

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern; and
- to provide an adequate return to the shareholder by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the correlation between adjusted capital and total assets.

The capital for the presented reporting period can be analysed as follows:

	2022	2021
Equity	16,326	10,965
Total Assets	71,544	50,889
Ratio of Equity to Total Assets	23%	22%

The Group manages the capital structure and makes the necessary adjustments in line with the changes in the economic environment and the risk characteristics of the respective assets. In order to maintain or adjust the capital structure, the Group may change the amount of dividends paid to owners, to return shareholders' equity, issue new shares or sell assets to reduce its liabilities.

The Group has not changed the objectives, policies and processes for managing the capital, as well as the method of determining the capital during the presented reporting period.

25. Controlling party

The parent company of myPOS World Ltd is Novapay Technologies, Inc, a company registered in Delaware, USA, with a registered address at 4770 Biscayne Boulevard, Suite 1430, Miami, FL, USA.

The ultimate controlling party of the Group is Fintech Ventures Partners Ltd, a company registered in the UK, with a registered address at Dunne & Waterman Hamilton House, 1 Temple Avenue, London, England, EC4Y 0HA.

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

All amounts are presented in EUR (000) unless otherwise stated.

26. Post-reporting date events

As of the date of preparation of the Group's financial statements, there is an ongoing military conflict between Russia and Ukraine. The Company's management does not expect a lasting negative impact on the results from its activities. The management will continue to monitor the developments and take into action the necessary steps to prevent any adverse impact on the activity of the Company.

There are no other events after the date of the statement of financial position, which require additional adjustments and / or disclosures in the financial statements of the Group for the financial period ended 31 December 2022.

26.1 Novapay Technologies, Inc

In 2023, the parent company of myPOS World Ltd, Novapay Technologies, Inc, is liquidated. The controlling party of the Group is NVP Ventures Holdings BV. The ultimate parent company remains unchanged – Fintech Ventures Partners Ltd.

26.2 myPOS Services EOOD

On 10 May 2023, a change in the legal form from OOD to EOOD (from LLC to sole owner LLC) of the company was executed as a result of the acquisition from myPOS World Ltd of the remaining shares held by an individual.

26.3 myPOS Technologies EAD

On 19 May 2023, a change in the legal form from AD to EAD (from Joint stock company to sole owner Joint-stock company) of the company was executed as a result of the acquisition from myPOS World Ltd of the remaining shares held by an individual.

26.4 myPOS AG

In April 2023, the minority shareholders of myPOS AG transferred their shares (6%) at nominal value to myPOS World Ltd. Thus, myPOS World Ltd became 100% owner of all shares in myPOS AG.

26.5 myPOS LLC

On 01 February 2023, the Group acquired 100,000 shares of MyPOS LLC, which represents 100% of the voting rights through the parent company - myPOS World for amount of USD 100 thousand (EUR 92 thousand). The acquiree is Novapay Technologies LLC – parent company of myPOS World until March 2023.

The excess of the total of the carrying value of the non-controlling interests and the fair value of the consideration paid over the acquisition date – net assets of the acquired entity results in a goodwill amounting to EUR 193 thousand. Goodwill calculations assume, that the fair value of individual net assets of the investee, which are predominantly short-term in nature, is equal to the reported book value of the assets transferred as at the acquisition date. MyPOS LLC didn't own any significant assets as at the acquisition date, which further support the assumption used.

The Group has acquired cash and cash equivalents at amount of EUR 6 thousand, and net asset (excluding cash and cash equivalents) at amount of EUR (107) thousand, as a result of the business combination.

myPOS LLC is not currently operational but should start providing services at the USA market in the next few years.

No contingent consideration arrangements and indemnification assets are recognized in respect of the acquisition. During the period there were not transactions that are recognized separately from the acquisition of assets and assumption of liabilities in the business combination.

26.6 myPOS Italy

On 23 June 2023, myPOS Partners Ltd acquired the remaining 10% of the shares of myPOS Italy SRL. Thus, myPOS Partners Ltd became 100% owner of all shares in myPOS Italy SRL.