NETINFO PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

NETINFO PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

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NETINFO PLC

OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	**Executive Directors** Vassos Aristodemou Polykarpos Hadjikyriakos Orlando Castellanos (Resigned 14 June 2023) Zoe Zafeiropoulou (Resigned 14 June 2023) Andreas Petrides **Non-Executive Directors** Pavlos Iosifides Michael Kammas (Resigned 14 June 2023) Ioannis Ninios (Resigned 14 June 2023) Epaminondas Metaxas Constantinos Constantinou Michael Michael (Appointed 14 June 2023)
Secretary	Polykarpos Hadjikyriakos
Independent Auditors	KPMG Limited
Legal Advisors	D.Hadjinestoros & Co LLC 16 Kyriacou Matsi, Eagle House, 8ος Floor 1082, Agioi Omologites, Nicosia, Cyprus
Bankers	Bank of Cyprus Public Company Ltd Alpha Bank Cyprus Ltd Eurobank Cyprus Ltd National Bank of Greece (Cyprus) Ltd Cynergy Bank Limited
Registered Office	23 Aglantzias Avenue Netinfo Building 2108, Nicosia Cyprus
Registration number	HE110368

NETINFO PLC

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the consolidated financial statements of NETinfo PLC (the "Company") for the year ended 31 December 2023, on the basis of our knowledge, declare that:

(a) The annual consolidated financial statements of the Group which are presented on pages 14 to 68:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the consolidated financial statements as a whole and

(b) The management report provides a fair view of the developments and the performance as well as the financial position of the Group as a whole, together with a description of the main risks and uncertainties which they face.

Members of the Board of Directors:

Executive Directors
Vassos Aristodemou
Polykarpos Hadjikyriakos
Orlando Castellanos (resigned on 14 June 2023)
Zoe Zafeiropoulou (Resigned 14 June 2023)
Andreas Petrides

Non-Executive Directors
Ioannis Ninios (resigned on 14 June 2023)
Epaminondas Metaxas
Pavlos Iosifides
Michalis Kammas (resigned on 14 June 2023)
Constantinos Constantinou
Michalis Michael (appointed on 14 June 2023)

Responsible for drafting the financial statements

Andreas Petrides -
Finance Director/Deputy Chief Executive Officer

Nicosia, 26 April 2024

NETINFO PLC

MANAGEMENT REPORT

The Board of Directors of NETinfo PLC (the "Company") presents to the members its Annual Report together with the audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2023.

INCORPORATION

NETinfo PLC (the "Company") is domiciled in Cyprus on 3 April 2000 as a private limited liability company under the Cyprus Companies Law, Cap. 113.

PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS OF THE GROUP

The principal activities of the Group which are unchanged from last year, are the design and implementation of digital banking systems, mobile financial services systems and web applications.

FINANCIAL RESULTS

The Group's financial results for the year ended 31 December 2023 are set out on page 14 to the consolidated financial statements. The net profit for the year attributable to the owners of the Group amounted to €546.009 (2022: €146.187).

EXAMINATION OF THE DEVELOPMENT, POSITION AND PERFORMANCE OF THE ACTIVITIES OF THE GROUP

The current financial position as presented in the consolidated financial statements is considered satisfactory.

Financial technology groups tend to invest heavily in developing a strong asset and service offering either through acquisitions or in house development. The Group is one of the leading financial technology companies in Cyprus with a strong in house development team which was further enhanced in 2023. During the year, the Group invested heavily in the upgrade of its software platform product offerings compatible with current and next generation systems.

The Company was listed in the E.C.M Market of the Cyprus Stock Exchange. On the 18 March 2021 the prospectus document of NetInfo PLC, was approved by the Cyprus Securities and Exchange Commission, regarding the listing of the 12.820.670 ordinary shares of nominal value €0,22 on the Alternative Market of the Cyprus Stock Exchange and started trading on 27 April 2021.

On 30 September 2021 the management has signed an agreement to dispose of its subsidiary Netinfo Pay for a total consideration of €2.150.000. The transaction is subject to the approval of the new shareholders by the central bank of cyprus.

The management is actively monitoring the financial performance of the Group and looking to improve its capital base and liquidity position.

REVENUE

The Group's revenue for the year ended 31 December 2023 was €5.866.676 (2022: €5.002.713).

DIVIDENDS

The Board of Directors does not recommend the payment of a dividend (2022: €NIL).

MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Group and the steps taken to manage these risks, are described in note 36 to the consolidated financial statements.

USE OF FINANCIAL INSTRUMENTS BY THE GROUP

The Group is exposed to interest rate risk, liquidity risk, credit risk and dividends from the financial instruments it holds.

INTEREST RATE RISK

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

CREDIT RISK

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Group does not hold collateral as security.

LIQUIDITY RISK

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

FUTURE DEVELOPMENTS

The Board of Directors does not expect major changes in the principal activities of the Group in the foreseeable future.

The most significant risk faced by the Group and the steps taken to manage these risks, are described in note 36 to the consolidated financial statements.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group continuously invests in developing and upgrading its main software library. This has been achieved by investing in an in-house R&D department who continuously develop its existing products according to business requirements. During the year, an amount of €569.863 (2022: €451.715) was capitalized as part of the investment in the development of its innovative software platform.

SHARE CAPITAL

Authorised capital

There were no changes in the authorized share capital of the Company during the year.

Issued capital

There were no changes in the issued share capital of the Company during the year.

CORPORATE GOVERNANCE CODE

The Group recognizes the importance of implementing sound corporate governance policies, practices and procedures including the appointment of an independent audit committee and the appointment of a completent internal auditor responsible for the internal audit function of the Group reporting directly to the audit committee. Through the internal audit relevant governance has been implemented for the preparation of the consolidated financial statements and interim reporting.

NetInfo Plc was listed on the Emerging Capital Market of the Cyprus Stock Exchange ("CSE"), which is not regarded as a regulated market with the meaning used in Companies Law, therefore it was not required to adopt the Corporate Governance Statement as per Section 151 of the Companies Law, Cap 113. As of the admission to the alternative market of the CSE NetInfo PLC is still not required to adopt the Corporate Governance Statement as per Section 151 of the Companies Law, Cap.113.

PARTICIPATION OF DIRECTORS IN THE COMPANY'S SHARE CAPITAL

Disclosed in note 35 to the consolidated financial statements.

BRANCHES

During the year ended 31 December 2023 the Group, did not operate any branches.

NETINFO PLC

MANAGEMENT REPORT (continued)

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2023 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2023 except from the following. Mr. Michael Michael was appointed as a non excecutive director on 14 June 2023. On 14 June 2023 Zoe Zaferiopoulou , Ioannis Ninios, Orlando Castellanos and Michael Kammas have been resigned as Directors.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office. There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

The Board of Directors comprises of 7 (2022:10) knowledgeable and competent members with appropriate experience of the industry and management, as well as age diversity. Five members are Executive members, three are Independent Non-Executive and two are Non-Executive members.

EVENTS AFTER THE REPORTING PERIOD

Any significant events that occurred after the end of the reporting period are described in note 39 to the consolidated financial statements.

INDEPENDENT AUDITORS

The independent auditors of the Company, KPMG Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Vassos Aristodemou
Director

Nicosia, 26 April 2024

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF**

NETINFO PLC

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Netinfo Plc (the "Company") and its subsidiaries (the "Group"), which are presented on pages 13 to 68 and comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113 (the "Companies Law, Cap.113").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the consolidated financial statements'" section of our report. We remained independent of the Group throughout the period of our appointment in accordance with the International Code of Ethics (Including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This Auditors Report is an English translation of the original Auditors Report issued on April , 29 2024 and translated for submission purposes to the Cyprus Stock Exchange. For the avoidance of doubt, in the event of a dispute or inconsistency between the Greek and English versions, the Greek language version shall prevail over the English translation in all respects.

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KPMG Limited, a private company limited by shares, registered in Cyprus under registration number HE 132822 with its registered office at 14, Esperidon Street, 1087, Nicosia, Cyprus.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters..

Revenue recognition

Refer to note 8 to the financial statements.

Key audit matter	How the matter was addressed in our audit
Revenue of the Company is generated through contracts signed between the Company and various local and international clients. Implementation contracts contain various performance obligations which are distinct, hence a specific point in time can be established. Revenue on maintenance services offered after the product goes live is recognized over time. The Company has recognized contact assets in respect to software implementation projects for which the performance obligations were achieved whereas invoicing and repayment will take place in stages. We have identified revenue recognition as a key audit matter since it involves significant judgement in determining the various performance obligations, establishing the timing of revenue recognition and allocating the transaction price to the performance obligations. Furthermore, in cases where there are contract assets with a significant financing component, estimate is involved when concluding on the appropriate discount factor to discount the amount of the consideration to its present value	• With regards to the implementation of IFRS 15, we verified management's conclusion by assessing different types of contracts and the accuracy of the Company's revised accounting policies in light of the industry specific circumstances and our understanding of the business. • For a sample of software development and implementation revenue (statistically selected), we have traced and agreed to invoices and signed contracts. • For a sample of outsourcing revenue and web design services revenue (statistically selected), we have traced and agreed to invoices issued. • For contracts in which maintenance was embedded in the contract during the implementation phase, we have assessed the allocation of the transaction price to the performance obligations (implementation vs maintenance) based on the client's pricing policy and standalone maintenance contracts. • For a sample of maintenance contracts (statistically selected), we have performed contract revenue recalculation for services rendered over time by tracing revenue to the annual contract fee. • We reviewed transactions post year end and traced revenue recognized to contract terms, to examine completeness of revenue. • For revenue recognized as a percentage of work completed we have obtained signed agreements with customers and evaluated revenue recognized based on based on work already completed and invoiced and expected cost to completion. • We have assessed the adequacy of disclosures in the financial statements regarding revenue.

KPMG

Capitalisation and impairment of software development costs	
Refer to note 21 to the financial statements	
Key audit matter	**How the matter was addressed in our audit**
Internally generated intangible assets (software development costs) are recognised only when the conditions of IAS 38 are met. This involves significant management judgment, such as with respect to the technical feasibility, intention and ability to complete the intangible asset, generation of future economic benefits and the ability to measure the costs reliably. The value of these intangible assets as at 31 December 2023 is € 3.682.866 and consists of 37% of the total assets of the Company.	- We have assessed the recognition criteria of internally generated intangible assets, challenged the key assumptions and estimates applied by management in capitalized software development costs and assessed their reasonableness. - We have obtained an analysis of the software tools database developments made to the software library during 2023 and assessed the reasonableness against those developments. - We reviewed expense accounts to identify costs eligible for capitalization, to assess completeness of the development costs capitalised. - We considered whether any indicators of impairment were present by understanding the business rationale and management plans for the future and relevant markets addressed.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the management report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap.113.

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

With regards to the consolidated management report, our report in this regard is presented in the *"Report on other legal requirements"* section.

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

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 there is an intention to either liquidate the Company or to cease the Group's operations, or there is no realistic alternative but to do so.

The Board of Directors and those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regrading independence , and to communicate with them all relationships and other matters that may reasonably be thought to bear on the independence, and where applicable , related safeguards.

From the matters communicated with those charged with governance, we determine tthose matters were of most significance in the audit of the financial statements of the current period and are therefore key audit matters. We describe those matters in our auditor's report.

Report on other legal requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014:

Date of appointment and period of engagement

We were appointed auditors for the first time by the General Meeting of the Company's members to audit the financial statements of the Group for the year ended 31 December 2017. Our total uninterrupted period of engagement having been renewed annually by shareholders' resolution is 7 years covering the periods ending 31 December 2017 to 31 December 2023.

Consistency of auditors' report to the additional report to the Audit Commillee

We confirm that our audit opinion on the financial statements expressed in this report is consistent with the additional report presented to the Audit Committee of the Company, which is dated 23 April 2024.

Provision of Non-audit Services

We have not provided any prohibited NAS referred to in Article 5 of EU Regulation 537/2014 as applied by Section 72 of the Auditors Law of 2017, L.53(1)2017, as amended from time to time ("Law L53(1)i2017").

Other Legal Requirements

Pursuant to the additional requirements of the 'Law L53(1)/2017" and based on the work undertaken in the course of our audit, we report the following:

• In our opinion, the management report, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap 113, and the information given is consistent with the financial statements.

• In the light of the knowledge and understanding of the business and the Group's environment obtained in the course of the audit, we have not identified material misstatements in the management report.

• In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of the subparagraph 2(a) of Article 151 of the Companies Law, Cap. 113. We have not identified any material misstatements in this respect.

• In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii). (vi) and (vii) of paragraph 2(a) of Article 151 of the Companies Law, Cap. I 13.

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of NetInfo PLC for the year ended 31 December 2023 comprising an XHTML file which includes the consolidated financial statements for the year then ended and XBRL files with the marking up carried out by the entity of (the "digital files").

The Board of Directors of Netinfo Plc is responsible for preparing and submitting the consolidated financial statements for the year ended 31 December 2023 in accordance with the requirements set out in the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission. (the "ESEF Regulation").

Our responsibility is to examine the digital files prepared by the Board of Directors of Netinfo PLC. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the consolidated financial statements included in the digital files correspond to the consolidated financial statements we have audited, and whether the format and marking up included in the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.

In our opinion, the digital files examined correspond to the consolidated financial statements, and the consolidated financial statements included in the digital files, are presented and marked-up, in all material respects, in accordance with the requirements of the ESEF Regulation.

Other matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of Law L.53(I)/2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

The engagement partner on the audit resulting in this independent auditors' report is Pangratios. P. Vanezis.

Pangratios P. Vanezis, FCA
Certified Public Accountant and Registered Auditor for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia Cyprus

26 April 2024

This Auditors Report is an English translation of the original Auditors Report issued on 26 April 2024 and translated for submission purposes to the Cyprus Stock Exchange For the avoidance of doubt, in the event of a dispute or inconsistency between the Greek and English versions, the Greek language version shall prevail over the English translation in all respects.

NETINFO PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	2023 €	2022 €
Assets			
Property, plant and equipment	19	3.829.978	3.948.412
Intangible assets	20	3.682.866	3.494.050
Contract assets	8	-	20.929
Total non-current assets		7.512.844	7.463.391
Contract assets	8	371.411	366.308
Trade and other receivables	22	1.554.417	1.510.859
Cash and cash equivalents	23	98.080	19.023
Assets held for sale	24	411.791	557.602
Total current assets		2.435.699	2.453.792
Total assets		9.948.543	9.917.183
Equity			
Share capital	25	2.820.547	2.820.547
Share premium		1.282.911	1.282.911
Reserves	26	359.209	(120.197)
Total equity		4.462.667	3.983.261
Liabilities			
Loans and borrowings	27	1.820.630	2.178.754
Deferred tax liabilities	28	172.256	177.062
Deferred income	30	47.309	52.040
Total non-current liabilities		2.040.195	2.407.856
Bank overdrafts		1.207.976	1.214.905
Short term portion of long-term loans	27	354.450	363.658
Trade and other payables	29	1.827.428	1.878.205
Deferred income	30	4.731	4.731
Tax liability	31	22.440	42.230
Liabilities classified as held for sale	24	28.656	22.337
Total current liabilities		3.445.681	3.526.066
Total liabilities		5.485.876	5.933.922
Total equity and liabilities		9.948.543	9.917.183

On 26 April 2024 the Board of Directors of NETinfo PLC approved and authorised these consolidated financial statements for issue.

....	....
Vassos Aristodemou	Andreas Petrides
Director	Director

The notes on pages 18 to 68 are an integral part of these consolidated financial statements.

NETINFO PLC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Note	2023 €	2022 €
Revenue	8	5.866.676	5.002.713
Cost of sales	9	(2.697.059)	(2.593.116)
Gross profit		3.169.617	2.409.597
Other operating income	10	80.458	86.557
Selling and distribution expenses	11	(97.915)	(42.193)
Administrative expenses	12	(2.220.450)	(2.033.454)
Impairment loss on trade receivables and contract assets	22	(35.803)	(26.454)
Other operating expenses		-	(262)
Operating profit	13	895.907	393.791
Finance income	15	511	44.559
Finance costs	15	(185.504)	(155.222)
Net finance expenses		(184.993)	(110.663)
Profit before tax		710.914	283.128
Tax	16	(164.905)	(136.941)
Profit for the year		546.009	146.187
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Tax on other comprehensive income	16	3.945	7.486
Items that are or may be reclassified to profit or loss:			
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		(70.547)	2.178
Other comprehensive (expense)/income for the year		(66.602)	9.664
Total comprehensive income for the year		479.407	155.851
Basic earnings per share (cent)	17	4.26	1.14
From discontinued operations		-	-
Diluted earnings per share (cent)	17	4.26	1.14

The notes on pages 18 to 68 are an integral part of these consolidated financial statements.

NETINFO PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Note	Share capital €	Share premium €	Fair Value reserve-Land and Buildings €	Translation reserve €	Retained earnings €	Total €
Balance at 1 January 2022		2.820.547	1.282.911	1.509.304	86.756	(1.758.854)	3.940.664
Comprehensive income							
Profit for the year		-	-	-	-	146.187	146.187
Other comprehensive income							
Fair value gains - net of tax	26	-	-	-	-	-	-
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		-	-	-	2.178	-	2.178
Deferred tax		-	-	7.486	-	-	7.486
Other comprehensive income for the year		-	-	7.486	2.178	-	9.664
Total comprehensive income for the year		-	-	7.486	2.178	146.187	155.851
Transactions with owners of the Company							
Special contribution to the defence fund and General Health System (GHS) on deemed distribution	18	-	-	-	-	(113.254)	(113.254)
Balance at 31 December 2022		2.820.547	1.282.911	1.516.790	88.934	(1.725.921)	3.983.261

The notes on pages 18 to 68 are an integral part of these consolidated financial statements.

NETINFO PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2023

	Note	Share capital €	Share premium €	Fair Value reserve-Land and Buildings €	Translation reserve €	Retained earnings €	Total €
Balance at 1 January 2023		2.820.547	1.282.911	1.516.790	88.934	(1.725.921)	3.983.261
Comprehensive income							
Profit for the year		-	-	-	-	546.009	546.009
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		-	-	-	(70.547)	-	(70.547)
Total comprehensive income for the year		-	-	3.945	(70.547)	546.009	479.407
Transactions with owners of the Company							
Balance at 31 December 2023		2.820.547	1.282.911	1.520.735	18.387	(1.179.912)	4.462.668

Share premium is not available for distribution.

The notes on pages 18 to 68 are an integral part of these consolidated financial statements.

NETINFO PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Note	2023 €	2022 €
Cash flows from operating activities			
Profit for the year		546.009	146.187
Adjustments for:			
Depreciation of property, plant and equipment	19	198.569	201.956
Amortisation of computer software	20	463	-
Amortisation of research and development	20	381.973	353.479
(Profit)/loss from the sale of property, plant and equipment		(6.247)	262
expected credit losses - trade and other receivables	22	35.803	26.454
Interest income	15	(511)	-
Interest expense	15	127.813	116.231
Income tax expense		164.905	136.941
Cash generated from operations before working capital changes		1.448.777	981.510
Decrease in inventories		-	61.840
Decrease/(increase) in trade and other receivables		61.864	(930.935)
Decrease in contract assets		15.826	125.188
(Decrease)/increase in trade and other payables		(92.224)	347.738
Cash generated from operations		1.434.243	585.341
Tax paid		(210.581)	(119.842)
Net cash generated from operating activities		1.223.662	465.499
Cash flows from investing activities			
Payment for investment in R&D	20	(571.252)	(450.936)
Payment for acquisition of property, plant and equipment	19	(81.723)	(221.803)
Proceeds from disposal of property, plant and equipment	19	8.084	-
Interest received		511	-
Net cash used in investing activities		(644.380)	(672.739)
Cash flows from financing activities			
Repayment of borrowings		(367.332)	(328.763)
Interest paid		(127.813)	(115.993)
Special contribution to the defence fund on deemed distribution paid		-	(113.254)
Net cash used in financing activities		(495.145)	(558.010)
Net increase/(decrease) in cash and cash equivalents		84.137	(765.250)
Cash and cash equivalents at beginning of the year		(1.195.832)	(430.632)
Cash and cash equivalents at end of the year	23	(1.111.695)	(1.195.882)

The notes on pages 18 to 68 are an integral part of these consolidated financial statements.

1. Reporting entity

NETinfo PLC (the "Company") is domiciled in Cyprus. The Group was incorporated in Cyprus on 3 April 2000 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 23 Aglantzias Avenue, Netinfo Building, 2108, Nicosia, Cyprus.

The principal activities of the Group which are unchanged from last year, are the design and implementation of digital banking systems, mobile financial services systems and web applications.

The Company was listed in the E.C.M Market of the Cyprus Stock Exchange. On the 18th March 2021 the prospectus document of NetInfo PLC, was approved by the Cyprus Securities and Exchange Commission, regarding the listing of the 12.820.670 ordinary shares of nominal value €0,22 per share on the Alternative Market of the Cyprus Stock Exchange and started trading on 27 April 2021.

2. Basis of accounting

The consolidated financial statements for the year ended 31 December 2023 consist of the financial statements of the Company and its subsidiaries (which together referred to as "the Group").

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except in the case of land, buildings and investment properties, which are measured at their fair value.

NETINFO PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

2. Basis of accounting (continued)

2.3 Going concern basis

Even though the Group has made a profit of €546.009 during the year ended 31 December 2023 as of that date the Group's current liabilities exceeded its current assets by €1.009.982.

During 2024 the Group has continued investing in software development, as evidenced by the software development costs capitalised, mainly in the upgrade of its software platform product offerings compatible with current and next generation systems.

The parent Company has unutilised funds from bank overdrafts which can set off to current liabilities as they fall through. The bank overdraft is a readily available resource of funds and is not expected to be called.

The fact that the disposal of the subsidiary NetInfo Pay Ltd is expected to be approved by CBC and the disposal will be finalised by 2024. The disposal will increase the cash inflows of the Group by 1.250.000 and an additional from lower expenses during the period.

In the event that the disposal of Netinfo pay is not approved by CBC the BoD has made alternative arrangements in managing the Group's liquidity including having readily available buyers for Netinfo Pay as well as discussion with banks for additional loans as well as raising more funds from the market. Current shareholders have expressed willingness to participate in a possible fundraising.

Based on the above the management assessed that there is no material uncertainty in relation to the going concern astatus of the Group and thus, the consolidated financial statements have been prepared on a going concern basis.

3. Functional and presentation currency

The consolidated financial statements are presented in Euro (€) which is the functional currency of the Company.

4. Adoption of new and revised IFRSs and interpretations by the European Union (EU)

During the current year the Group adopted all the changes to International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023 . This adoption did not have a material effect on the accounting policies of the Group.

At the date of approval of these consolidated financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a significant effect on the consolidated financial statements of the Group.

5. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively - that is, in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

5.1 Judgements

Information about judgements in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Notes 8: " Revenue recognition' - maintenacne income: whether revenue is recognized over time or at a point in time.
- Note 20 "Capitalisation of software development costs" - determination whether the recognition criteria are met.

5.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 20 - Impairment test of non-financial assets: key assumptions underlying recoverable amounts and value in use.
- Note 22: " Measurement of ECL allowance for trade receivables and contract assets" : key assumptions in determing the weighted-average loss rate.
- Note 31 "Income taxes" - to determine any provision for income taxes.
- Note 24 "Non-current assets and disposal group held-for-sale"- determining the fair value less costs to sell of the disposal group on the basis of significant unobservable inputs.

5.3 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

5. Use of estimates and judgements (continued)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in notes:

- Note 19 - Property, plant and equipment

6. Significant accounting policies

The following accounting policies have been applied consistently for all the years presented in these consolidated financial statements.The accounting policies have been consistently applied by all companies of the Group.

6.1 Basis of consolidation

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date that control commences until the date control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring them in line with the accounting policies of the Group.

6. Significant accounting policies (continued)

6.2 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity as transactions with owners acting in their capacity as owners. No adjustments are made to goodwill and no gain or loss is recognised in profit or loss.

When the Group loses control of a subsidiary, the resulting profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The resulting profit or loss is recognised in profit or loss.

Any interest retained in the former subsidiary is measured at fair value when control is lost.

6.3 Segmental reporting

The Group is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Group operates only in Cyprus and for this reason operations are not analysed by geographical segment.

6.4 Revenue recognition

Contracts identification

The Group recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Group can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Group's future cash flows is expected to change as a result of the contract), it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Group's contracts with customers.

The transaction price

Revenue represents the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value added taxes).

The Group does not have any material contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

6. Significant accounting policies (continued)

6.4 Revenue recognition (continued)

Identification of the performance obligations

The Group assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand alone selling prices. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Performance obligations and revenue recognition policies

Customers who enter the Group's loyalty programme earn points that are redeemable against any future purchases.

The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty program is deferred and is recognised as revenue when the loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points expires or becomes remote.

The deferred revenue is included in the contract liabilities.

Rendering of services - over time:

Revenue from rendering of services is recognised over time while the Group satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

Rendering of services - at a point in time:

The Group concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

Sale of products:

Sales of products are recognised at the point in time when the Group satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer and the customer has accepted the products.

6. **Significant accounting policies** (continued)

6.5 Employee benefits

The Group's companies and their employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

In addition the Group operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Group.

6.6 Finance income

Interest income is recognised on a time-proportion basis using the effective method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

The effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

6.7 Finance costs

Finance expenses include interest expense on loans, finance leases and bank overdrafts as well as bank charges. Finance expenses, excluding bank charges, are recognised to profit or loss using the effective interest method. Bank charges are recognised in profit or loss in the period which incurred.

6.8 Foreign currency translation

(i) Functional currencies

Items included in the financial statements of each Group entity are measured using the currency of the primary economic environment in which each entity operates ('the functional currency').

The Financial Statements have been prepared in Euro (€). The functional currencies of the subsidiaries are as follows:

NETinfo Services Limited: Euro(€)
NETinfo Ltd: UK pound sterling (£)
NETinfoPay Limited: Euro(€)

6. Significant accounting policies (continued)

6.8 Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into respective functional currencies of the Group companies using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective and

- qualifying cash flow hedges to the extent that the hedges are effective.

(iii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Euro at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Euro at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

6. **Significant accounting policies** (continued)

6.9 Tax

Income tax expense comprises of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

6.10 Dividends

Dividends distributions to the Company's shareholders are recognised as equity distributions in the Company's financial statements in the year in which they are approved.

6.11 Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. All other property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

6. Significant accounting policies (continued)

6.11 Property, plant and equipment (continued)

Depreciation is calculated on the straight-line method so as to write off the cost or revalued amount of each asset to its residual value, over its estimated useful life. The annual depreciation rates used for the current and comparative periods are as follows:

	%
Buildings	3
Plant and machinery	20
Motor vehicles	20
Furniture, fixtures and office equipment	10
Telephone Center	10

No depreciation is provided on land.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. When revalued assets are sold, the amounts included in the fair value reserves are transferred to retained earnings.

6.12 Deferred income

Deferred income represents income receipts which relate to future periods.

6.13 Deferred income from government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. They are amortised on a systematic basis using the straight-line method over the expected useful life of the respective assets. Government grants that compensate the Group for expenses are incurred in the profit or loss as revenue, unless the conditions for met for receiving the grant are met after the related expenses have been recognised. In this case , the grant is recognised when it becomes receivable.

6. Significant accounting policies (continued)

6.14 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of the assets previous carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

6.15 Intangible assets

(i) Internally-generated intangible assets - research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, internally-generated intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

The annual amortization rate used for the current and comparative periods is 5%.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted accordingly.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

6. Significant accounting policies (continued)

6.15 Intangible assets (continued)

(ii) Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives. Amortisation commences when the computer software is available for use and is included within administrative expenses.

The annual amortization rate used for the current and comparative periods is 33,3%.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted accordingly.

(iii) Other intangible assets

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted accordingly.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

6. **Significant accounting policies** (continued)

6.16 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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 estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

6. **Significant accounting policies** (continued)

6.16 Leases (continued)

- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents its right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' in the consolidated statement of financial position.

The lease liabilities are presented in 'loans and borrowings' in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets (i.e. IT equipment, office equipment etc.). The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

6.17 Financial instruments

6.17.1 Recognition and initial measurement

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

6. **Significant accounting policies** (continued)

6.17 Financial instruments (continued)

6.17.2 Classification and subsequent measurement

6.17.2.1 Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive income (FVOCI) debt investment; Fair Value through Other Comprehensive income (FVOCI) equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

6. **Significant accounting policies** (continued)

6.17 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the consolidated statement of cash flows.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

6. Significant accounting policies (continued)

6.17 Financial instruments (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses:

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

6. Significant accounting policies (continued)

6.17 Financial instruments (continued)

6.17.2.2 Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The financial liabilities of the Group are measured as follows:

(i) Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

(ii) Trade and other payables

Trade payables are initially recognised at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

6. **Significant accounting policies** (continued)

6.17 Financial instruments (continued)

6.17.3 Impairment

- *Financial instruments and contract assets*

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per Moody's rating agency or BBB- or higher per Moody's Rating Agency.

6. Significant accounting policies (continued)

6.17 Financial instruments (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

- *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

- *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

– significant financial difficulty of the borrower or issuer;

– a breach of contract such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties.

- *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

6. **Significant accounting policies** (continued)

6.17 Financial instruments (continued)

- *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

6.18 Derecognition of financial assets and liabilities

Financial assets

The Group derecognises a financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) when:

- the contractual rights to receive cash flows from the asset have expired;

- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or

- the Group transfers the rights to receive the contractual cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when it is replaced by another from the same lender on substantially different terms, or when the terms of the liability are substantially modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

6. Significant accounting policies (continued)

6.19 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when, and only when, the Group has a currently enforceable legal right to offset the recognised amounts and it intends to settle them on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

6.20 Impairment of non-financial assets

Assets (other than biological assets, investment property, inventories and deferred tax assets) that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. Goodwill arising from a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to be benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

6.21 Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

6. Significant accounting policies (continued)

6.22 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

6.23 Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

6.24 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

7. Operating segments

The Directors currently identify one business line as the Group's single reportable segment. The reason is because the products and services offered require the same technology and marketing strategies.

2023	2023 €
Revenue	5.866.676
Profit before tax	710.914
Assets	9.948.543
Liabilities	5.485.876
Capital expenditure	81.723
Depreciation	198.320

2022	2022 €
Revenue	5.002.713
	283.128
Assets	9.917.183
Liabilities	5.933.922
Capital expenditure	221.803
Depreciation	201.956

Disaggregation of revenue from contracts with customers streams by primary geographical market and by revenue streams can be found in Note 8.

8. Revenue

8.1 Revenue streams: The Group generates revenue primarily from the development and implementation of customised software to its customers. Other sources of revenue include the rendering of services such as maintenance, outsourcing and web design services.

	2023 €	2022 €
Sales of computer equipment	3.459	-
Outsourcing services	645.930	627.626
Software Development and Implementation	3.060.672	2.363.809
Web Design services	154.039	136.973
Maintenance and consulting services	1.536.532	1.526.968
I-Cloud services	459.215	338.665
Other income	6.829	8.672
	5.866.676	5.002.713

Revenue from software and development includes an amount for the year 2023 of €648.526 billed to subsidiaries (2022: €62.525) which is eliminated in the Consolidated financial statements.

8.2 Disaggregation of revenue from contracts with customers streams: in the following table revenue from contracts with customers is disaggregated by primary geographical market.

	2023 €	2022 €
Primary Geographical markets		
Europe	2.844.642	2.462.675
Africa	1.311.381	1.214.630
Asia	863.357	715.887
Other	847.296	609.521
	5.866.676	5.002.713

8.3 Contract balances: The following table provides information about contract assets and contract liabilities from contracts with customers.

	2023 €	2022 €
Contract liabilities	647.317	702.237
Contract Assets	388.602	404.428
Less: Provision for expected credit losses for contract assets	(17.191)	(17.191)
Contract Assets net	371.411	(387.237)

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For the year ended 31 December 2023

8. Revenue (continued)

Movement of contract assets and contract liabilities	Contract assets €	Contract Liabilities €
Contract liabilities	387.237	(702.237)
Cost of work excecuted until completion	960.096	-
Amounts invoiced after the milestone completion	-	(1.481.612)
Revenue recognised	(975.922)	1.536.532
Contract Assets net	371.411	(647.317)

The contract assets primarily relate to the group's rights to consideration for work completed but not billed at the reporting date.

The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Groups issues an invoice to the customer.

The rights become uncoditional upon the completion of a specific milestone.

The contract liabilities primarily relate to the advance consideration received from customers for which the revenue is recognised over time, mainly for maintenance services. The contract liabilities are transferred to trade payables when the rights become unconditional. This usually occurs when an invoice was issued to the customer and the money was received.

8.4 Performance obligations and revenue recognition policies:

Type of product/ service	**Nature and timing of satisfaction of performance obligations, including significant payment terms**	**Revenue recognition under IFRS 15**
Software development and implementation	The customer obtains control of the product once implementation is completed. Invoices are generated based on pre-agreed milestones set in the contracts. Invoices are usually payable within 30 days. The customer consumes the benefits of the maintenance service as the service is provided.	The transaction price of software and implementation contracts is allocated to the implementation activities and maintenance service based on the Company's pricing list. Revenue arising from implementation activities is recognized at a point in time, following completion of the pre-agreed milestones set in the contracts with customers. Contract assets are recognized for unbilled revenue where performance obligations have been completed. Upon the completion of a milestone the rights become uncoditional and the contract asset wholly or partially is recognised in revenue.
Maintenance services	The customer consumes the benefits of the maintenance service as the service is provided. Invoicing usually takes place monthly and in some cases annually, based on the pre-agreed annual fee. Invoices are usually payable within 30 days.	Revenues from maintenance services are recognized during the period of service provision. The invoiced amounts are recognized when the service is rendered. The invoiced amounts are recognized in the contractual assets until the provision period arrives and then they are transferred into receivables.
Outsourcing services	The customer consumes the benefit of the outsourcing services as the service is provided. Invoicing takes place on a monthly basis based on the pre-agreed annual fee.	Revenues from outsourcing services are recognized and invoiced during the period of service provision.

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For the year ended 31 December 2023

8. Revenue (continued)

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Web and design services	Web and design services relate to design services offered to customers for which there are pre-agreed milestones and maintenance and hosting services provided on an annual basis to customers. In respect of design services, the customer obtains control of the product once delivered and invoicing takes place once the performance obligation is completed. In respect of maintenance and hosting services provided, invoicing takes place annually, based on the pre-agreed annual fee. Invoices are usually payable within 30 days.	Revenues arising from web design services are recognized at a point in time, after the specified milestones have been completed and the product has been delivered to the customer. Revenues arising from maintenance and hosting activities are recognized in the period for which the service is provided.
I Cloud Services	The customer consumes the benefits of the icloudservice as the service is provided.Invoicing usually takes place monthly and insome cases annually, based on the pre-agreedannual fee. Invoices are usually payable within 30 days.	Revenues from I Cloud maintenance services are recognized over the period of service provision. Revenue is recognized on a time-to-moment basis and billed over the period of service.

9. Cost of sales

	2023 €	2022 €
Staff costs	1.864.073	1.962.130
Subcontracted work	136.762	97.532
Software and domain registration	52.642	47.849
Amortization of software	381.973	353.479
Cloud services	235.656	107.900
Depreciation	25.953	24.226
	2.697.059	2.593.116

10. Other operating income

	2023 €	2022 €
Profit from sale of property, plant and equipment	6.247	-
Government grants	11.331	23.677
Management fees (*)	62.880	62.880
	80.458	86.557

(*) Relates to management fees with regadrs to Netinfo Pay Ltd for which are paid by the new shareholder.

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For the year ended 31 December 2023

11. Selling and distribution expenses

	2023 €	2022 €
Advertising	68.808	37.476
Decoration	11.080	1.720
Commissions	6.000	-
Discounts allowed	10.806	-
Other selling and distribution expenses	1.221	2.997
	97.915	42.193

12. Administrative expenses

	2023 €	2022 €
Staff costs	1.271.288	1.292.872
Rent	25.200	37.170
Common expenses	5.185	4.586
Licenses and taxes	9.976	5.149
Registrar annual fee	700	700
Electricity	55.750	56.609
Water supply and cleaning	8.043	8.110
Insurance	27.867	25.822
Repairs and maintenance	9.845	16.608
Sundry expenses	16.563	6.419
Telephone and postage	13.098	14.506
Stationery and printing	2.671	5.449
Subscriptions and contributions	20.697	18.670
Non charitable donations	11.153	15.215
Staff training	16.999	14.945
Computer supplies and maintenance	18.647	10.874
Computer software	44.921	27.267
Independent auditors' remuneration - current year	38.500	34.000
Independent auditors' remuneration for ESEF	6.000	5.000
Independent auditors' remuneration - prior years	675	3.500
Legal fees	11.786	14.786
Other professional fees	136.173	71.195
Translation fees	42	684
Fines	-	2.927
Overseas travelling	149.906	94.921
Irrecoverable VAT	69.000	-
Entertaining	23.316	15.326
Motor vehicle running costs	53.370	52.414
Amortisation of computer software	463	-
Depreciation	172.616	177.730
	2.220.450	2.033.454

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13. Other operating profit

	Note	2023 €	2022 €
Operating profit is stated after charging the following items:			
Amortisation of computer software	20	381.973	353.479
Depreciation of property, plant and equipment	19	198.569	201.054
Staff costs - Cost of Sales	14	1.864.073	1.962.130
Staff costs - Administrative expenses	14	1.271.288	1.292.872
Independent auditors' remuneration for the statutory audit of annual accounts		39.500	34.000
Independent auditors' remuneration for - ESEF		6.000	5.000
Independent auditors' remuneration - prior years		675	3.500

14. Staff costs

	Note	2023 €	2022 €
Salaries (including Directors in their executive capacity)		2.534.542	2.673.234
Wages		81.287	69.060
Social insurance contributions		294.068	283.057
GESY Contributions		86.545	95.744
Social cohesion fund contributions		59.875	59.740
Pensions cost		79.044	74.167
Total staff costs	13	3.135.361	3.255.002

The average number of employees employed by the Group during the year 2023 and 2022 were 92 and 87 respectively.

The Group has a defined contribution scheme, the NETinfo PLC Employees' Provident Fund, which is funded separately and prepares its own financial statements whereby employees are entitled to payment of certain benefits upon retirement or prior termination of service.

Staff costs include the amount of €511.663 which relates to developments made to the main software library and direct costs of €58.200 in relation to the development of software.

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For the year ended 31 December 2023

15. Finance income and costs

	2023 €	2022 €
Finance income		
Other interest income	511	-
Realised foreign exchange profit	-	29.707
Unrealised foreign exchange profit	-	14.852
	511	44.559
Finance costs		
Loan interest	94.489	87.562
Bank overdraft interest	33.140	28.431
Interest on taxes	184	238
Bank charges	40.575	38.991
Realised foreign exchange loss	16.610	-
Unrealised foreign exchange loss	506	-
	185.504	155.222

16. Taxation

	Note	2023 €	2022 €
Corporation tax - current year		21.591	-
Corporation tax - prior years		(30.703)	14.490
Overseas tax		174.669	123.264
Special contribution to the defence fund - current year		209	48
Deferred tax - credit	28	(861)	(861)
Charge for the year		164.905	136.941

16. **Taxation** (continued)

Reconciliation of tax based on the taxable income and tax based on accounting profits:

	2023	2023 €	2022	2022 €
Accounting profit before tax		710.914		283.128
Tax calculated at the applicable tax rates	12,50 %	88.864	12,50 %	35.421
Tax effect of expenses not deductible for tax purposes	12,71 %	90.375	33,18 %	93.936
Tax effect of allowances and income not subject to tax	(21,62)%	(153.691)	(17,04)%	(48.259)
Tax effect of tax losses brought forward	- %	-	(23,53)%	(66.608)
10% additional charge	0,15 %	1.100	- %	-
Special contribution to the defence fund	0,03 %	209	0,02 %	48
Deferred tax	(0,12)%	(861)	(0,30)%	(861)
Prior year tax	(4,32)%	(30.703)	- %	-
Overseas tax in excess of credit claim used during the year	23,86 %	169.612	43,54 %	123.264
Tax as per consolidated statement of profit or loss and other comprehensive income - charge	23,20 %	164.905	48,37 %	136.941

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

NetInfo PLC is eligible for the IP special tax regime where 80% is considered as a deemed expense.

17. Earnings per share

	2023	2022
Basic earnings attributable to owners (€)	546.009	146.187
Weighted average number of ordinary shares in issue during the year	12.820.670	12.820.670
Basic earnings per share (cent)	4,26	1,14
Diluted weighted average number of shares	12.820.670	12.820.670
Diluted earnings per share (cent)	4,26	1,14

Basic earnings per share is calculated by dividing the profit for the year attributable to the ordinary shareholders of the parent company by the weighted average number of ordinary shares in issue during the year.

18. Dividends

	2023 €	2022 €
Special contribution to the defence fund and General Health System (GHS) on deemed distribution	-	113.254
	-	113.254

The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

19. Property, plant and equipment

2023	Land and buildings	Plant and Machinery	Computer Equipment	Motor vehicles	Furniture, fixtures and office equipment	Telephones	Total
	€	€	€	€	€	€	€
Cost or valuation							
Balance at 1 January	4.356.189	-	644.346	580.361	540.297	97.413	6.218.606
Additions	39.707	-	30.732	-	1.503	9.781	81.723
Disposals	-	-	-	(25.185)	-	-	(25.185)
Balance at 31 December	4.395.896	-	675.078	555.176	541.800	107.194	6.275.144
Depreciation							
Balance at 1 January	709.340	-	593.184	420.130	470.369	77.171	2.270.194
Depreciation for the year	98.945	-	25.953	46.798	19.171	7.453	198.320
On disposals	-	-	-	(23.348)	-	-	(23.348)
Balance at 31 December	808.285	-	619.137	443.580	489.540	84.624	2.445.166
Carrying amounts							
Balance at 31 December	3.587.611	-	55.941	111.596	52.260	22.570	3.829.978

2022	Land and buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and office equipment	Telephones	Total
	€	€	€	€	€	€
Cost or valuation						
Balance at 1 January	4.307.359	615.223	445.361	537.168	92.471	5.997.582
Additions	48.830	29.902	135.000	3.129	4.942	221.803
Disposals	-	(779)	-	-	-	(779)
Balance at 31 December	4.356.189	644.346	580.361	540.297	97.413	6.218.606
Depreciation						
Balance at 1 January	607.359	569.426	371.495	449.836	70.590	2.068.706
Depreciation for the year	101.981	24.226	48.635	20.533	6.581	201.956
On disposals	-	(468)	-	-	-	(468)
Balance at 31 December	709.340	593.184	420.130	470.369	77.171	2.270.194
Carrying amounts						
Balance at 31 December	3.646.849	51.162	160.231	69.928	20.242	3.948.412

19. Property, plant and equipment (continued)

Land and buildings consist of offices the Group holds for its own use in Nicosia and are owned by the Group.

Fair value hierarchy

The fair value of property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The significant inputs and assumptions are developed in close consultation with the Directors. The valuation proess and fair value changes are reviewed by the Board of Directors at each reporting date.

The fair value measurement for the properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Market comparison approach	Fair value per m2	€1.200 - €3.000 per m2

The fair value is estimated using a market approach that reflects observed prices for recent market transactions for similar properties and incorporates adjustments for specific factors, including plot and building size, location planning zone and permits, encumbrances, current use and condition.

Any increase/decrease in fair value by 5% per m2 will result in an increase/decrease in other comprehensive income net of deferred tax of €173,000.

In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	2023 €	2022 €
Carrying amounts	1.837	311
Profit/(loss) from the sale of property, plant and equipment (Note 10)	6.247	(262)
Proceeds from disposal of property, plant and equipment	8.084	49

19. Property, plant and equipment (continued)

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2023 €	2022 €
Cost	3.134.096	3.096.389
Accumulated depreciation	(681.756)	(612.651)
Net book amount	2.452.340	2.483.738

Bank borrowings are secured on land and buildings to the value of €3.803.612 (2022: €3.803.612) (Note 27).

20. Intangible assets

	Computer software €	Research and development (*) €	Total €
Cost			
Balance at 1 January 2022	-	6.532.676	6.532.676
Additions	-	451.715	451.715
Balance at 31 December 2022	-	6.984.391	6.984.391
Balance at 1 January 2023	-	6.984.391	6.984.391
Additions	1.389	569.863	571.252
Balance at 31 December 2023	1.389	7.554.254	7.555.643
Amortisation			
Balance at 1 January 2022	-	3.136.862	3.136.862
Amortisation for the year	-	353.479	353.479
Balance at 31 December 2022	-	3.490.341	3.490.341
Balance at 1 January 2023	-	3.490.341	3.490.341
Amortisation for the year	463	381.973	382.436
Balance at 31 December 2023	463	3.872.314	3.872.777
Carrying amounts			
Balance at 31 December 2023	926	3.681.940	3.682.866
Balance at 31 December 2022	-	3.494.050	3.494.050

* Computer software relates to the digital banking and the mobile financial services platforms made up of reusable modules and components which are used by the Company for the implementation of digital banking and mobile services systems for its customers.

20. Intangible assets (continued)

Additions made to customer software in 2023 comprise of staff costs of €511.663 in relation to developments made to the main software library and direct costs of €58.200 in relation to the development of software.

Intangible assets primarily relate to capitalized personnel costs (80%) and other direct costs (20%) related to software development. The percentage of total amortization allocated to capitalised personel costs is 80% and other direct cots 20% as a percentage of total amortization.

21. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2023 Holding %	2022 Holding %
NETinfo Services Limited	Cyprus	Development of software	100	100
NETinfoPay Limited	Cyprus	Electronic Money Institution	100	100
NETteller Solutions S.A.	Costa Rica	Development of software	100	100
NETinfo Limited	United Kingdom	Development of software	100	100

The Group periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

During the preceding ended 31 December 2021, NETinfo Plc entered into an agreement for the disposal of the total number of shares held in NetInfo Pay Ltd for a total consideration of €2.150.000. The transaction is subject to approval of the new shareholders from the Central Bank of Cyprus.

In the event of the sale approval the group will realise an additional profit from the sale amounting to 1.2 million.

NETINFO PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

22. Trade and other receivables

	2023 €	2022 €
Trade receivables	1.472.115	1.623.810
Less: Provision for impairment of trade receivables	(76.522)	(193.388)
Trade receivables - net	1.395.593	1.430.422
Directors' current accounts - debit balances (Note 33 (iv))	788	443
Deposits and prepayments	14.057	4.975
Receivable from Flutterwave	143.979	64.519
Other receivables	-	10.500
	1.554.417	1.510.859

The receivable from Flutterwave relates to expenses paid to subsidiary company Netinfo Pay Ltd for its operating expenses and are expected to be reinsbursed by the new buyer.

Ageing analysis of trade and other receivables:

	Gross amount 2023 €	Impairment 2023 €	Gross amount 2022 €	Impairment 2022 €
Not past due	463.723	(749)	-	-
Past due 1-30 days	232.421	(1.401)	617.732	-
Past due 31-120 days	229.928	(1.779)	362.502	-
More than 120 days	546.042	(72.593)	643.576	(193.388)
	1.472.114	(76.522)	1.623.810	(193.388)

The Group does not hold any collateral over the trading balances.

Movement in provision for impairment of receivables:

	2023 €	2022 €
Balance at 1 January	193.388	311.815
Expected credit losses on trade receivables	17.700	26.454
Amount written off as uncollectible	(134.566)	(144.881)
Balance at 31 December	76.522	193.388

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

22. Trade and other receivables (continued)

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 36 to the consolidated financial statements.

23. Cash and cash equivalents

Cash balances are analysed as follows:

	2023	2022
	€	€
Cash in hand	6.616	6.176
Cash at bank	89.665	11.048
Bank deposits	1.799	1.799
	98.080	19.023

The weighted average effective interest rate on bank overdrafts at the reporting date was 3,98% (2022: 3.67%)

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 36 to the consolidated financial statements.

24. Assets held for sale

On 17 September 2021, the parent Company Netinfo PLC entered into a sale agreement with a third party for the sale of 100% shareholding in subsidiary NetInfo PAY Ltd for a consideration of €2.150.000. The sale is subject to approval of the new shareholders. The assets and liabilities attributable to the subsidiary NetInfo Pay Ltd, which are expected to be sold within twelve months, have been classified as for sale and are presented separately in the consolidated statement of financial position. Included within the consideration was an amount of €270.000 which was non refundable and was recognised in profit or loss.

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale.

24. Assets held for sale (continued)

The major classes of assets and liabilities comprising the disposal group classified as held for sale are as follows:

	2023 €	2022 €
Assets classified directly associated with the assets as held for sale:		
Intangible assets	37.500	40.000
Property, plant and equipment	4.702	6.661
Other receivables	25.359	166.584
Cash and cash equivalents	344.230	344.357
	411.791	557.602
Liabilities classified directly associated with the assets as held for sale		
Trade payables	-	18.706
Other payables and accruals	28.656	3.631
	28.656	22.337

The exposure of the Group to market risk in relation to financial assets is reported in note 36 to the consolidated financial statements.

25. Share capital

	2023 Number of shares	2023 €	2022 Number of shares	2022 €
Authorised				
Ordinary shares of €0,22 each	38.461.538	8.461.538	38.461.538	8.461.538
Issued and fully paid				
Balance at 1 January	12.820.670	2.820.547	12.820.670	2.820.547
Balance at 31 December	12.820.670	2.820.547	12.820.670	2.820.547

Authorised capital

There were no changes in the authorized share capital of the Company during the year.

Issued capital

There were no changes in the issued share capital of the Company during the year.

26. Reserves

The Reserves comprise of the fair value reserve and foreign currency translation reserve.

Fair value reserve

The fair value reserve for land and buildings arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset, and that is effectivley realized, is transferred directly to retained earnings.

Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e Euro) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31st of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits refer. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus.In addition, the Company pays a General Health System (GHS) contribution on behalf of the shareholders at a rate of 2.65%, when the entitled shareholders are natural tax residents of Cyprus, regardless of their domicile.

27. Loans and borrowings

	2023 €	2022 €
Balance at 1 January	2.542.412	2.871.175
Repayments	(469.611)	(416.325)
Interest charged for the year	102.279	87.562
Balance at 31 December	2.175.080	2.542.412

	2023 €	2022 €
Non-current liabilities		
Bank loans	1.820.630	2.178.754
Current liabilities		
Bank loans	354.450	363.658
Total	2.175.080	2.542.412

27. Loans and borrowings (continued)

Maturity of borrowings:

	2023 €	2022 €
Within one year	354.450	363.658
Between one and five years	1.711.824	1.777.961
After five years	108.806	400.793
	1.820.630	2.178.754
	2.175.080	2.542.412

The bank loan in the original amount of €1.650.000 is repayable by monthly instalments of €15.290 each through to 2029.

The bank loan in the original amount of €600.000 is repayable by monthly instalments of €5.711 each through to 2029.

The bank loan in the original amount of €1.015.000 is repayable by monthly instalments of €6.159 each through to 2031.

The bank loan in the original amount of €500.000 is repayable by monthly instalments of €5.000 each through to 2025.

The bank loan in the original amount of €400.000 is repayable by monthly instalments of €5.000 each through to 2029.

The bank loans are secured as follows:

- By personal guarantees of €4.064.281 (2022: €4.064.281.
- By mortgage against immovable property of the Company for €3.803.612 (2022: €3.803.612).
- By fixed charge on Netinfo software €200.000 (2022: €200.000).

The weighted average effective interest rate on bank loans at the reporting date was 4% (2022: 3,22%).

27. Loans and borrowings (continued)

a) The carrying amounts and fair values of certain non-current borrowings are as follows:

	Currency	Nominal interest rate	Year of maturity	Face value 2023 €	Face value 2022 €	Carrying amounts 2023 €	Carrying amounts 2022 €
Business Loan	Euro	3,47%	2029	1.650.000	1.650.000	952.107	1.097.028
Business Loan	Euro	3,47%	2029	600.000	600.000	368.040	424.055
Business Loan	Euro	3,47%	2031	1.015.000	1.015.000	454.538	510.259
Business Loan	Euro	1,25%	2025	500.000	500.000	85.889	152.552
Business Loan	Euro	7,77	2029	400.000	400.000	314.506	354.611
Hire Purchase	Euro			-	9.281	-	3.907
				4.165.000	4.174.281	2.175.080	2.542.412

The exposure of the Group to interest rate risk in relation to financial instruments is reported in note 36 to the consolidated financial statements.

28. Deferred tax

Deferred tax liability

	2023 €	2022 €
Balance at 1 January	177.062	185.410
Revaluation of land and buildings	(3.945)	(7.487)
Credit in profit or loss	(861)	(861)
Balance at 31 December	172.256	177.062

Deferred taxation liability arises as follows:

	2023 €	2022 €
Accelerated tax depreciation	7.374	8.235
Revaluation of land and buildings	164.882	168.827
	172.256	177.062

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 16). The applicable corporation tax rate in the case of tax losses is 12,5%.

29. Trade and other payables

	2023	2022
	€	€
Trade payables	187.531	190.938
Social insurance and other taxes	147.096	135.274
VAT	101.520	118.569
Directors' current accounts - credit balances (Note 33)	123	123
Accruals	51.242	44.638
Other creditors	590.922	584.749
Contract liabilities	647.317	702.237
Special contribution to the defence fund and General Health System (GHS) on deemed distribution	101.677	101.677
	1.827.428	1.878.205

Other creditors include an amount of € 558.745 which has been collected in cash by the buyer of the subsidiary NetInfo Pay Ltd. The amount is due to the buyer of NetInfo Pay Ltd until the sale process is approved by the Central Bank of Cyprus.

Contract liabilities refers to advance payments the Company receives, mainly for maintenance services to be performed in the future. The contract liabilities are transferred to payables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer and received the money.

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

30. Deferred income

	2023	2022
	€	€
Government grants	52.040	56.771
	52.040	56.771
Deferred income more than one year	47.309	52.040
Deferred income within one year	4.731	4.731
	52.040	56.771

Government grants relate to funds received by the Human Resource Development Authority and European Bank of Research & Development in relation to innovative businesses.

31. Tax liability

	2023	2022
	€	€
Corporation tax	22.440	42.185
Special contribution to the defence fund	-	45
	22.440	42.230

32. Operating environment of the Group

(1) On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and also worldwide, which are difficult to precisely estimate. The main concern at the moment is the rise of inflation, the uncertainty mainly about tourism and financial services and the increase in the price of fuel, which will affect household incomes and business operating costs.

The Group's management believes it is taking all the necessary measures to maintain the viability of the Group and the development of its business in the current business and economic environment.

33. Related party transactions

The Group's share capital is widely disbursed to individuals and companies with different shareholdings with no one single person controlling the entity. The main shareholder of the parent company is Mr. Vassos Aristodemou who owns 30,37% of the issued share capital.

The transactions and balances with related parties are as follows:

(i) Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2023	2022
	€	€
Non-executive Directors' remuneration	53.000	60.000
Executive Directors' and their related parties' remuneration	-	-
Vasos Aristodemou	91.510	91.510
Polys Xatzikyriakos	88.735	71.885
Orlando Castelanos	71.550	68.885
Andreas Petrides	100.000	87.280
Zoe Zaphiropoulou	61.693	58.788
Insurance expenses - Polys Xatzikyriakos	2.499	1.832
Insurance expenses - Vasos Aristodemou	5.131	6.025
	474.118	446.205

33. Related party transactions (continued)

(ii) Revenue and Other Income

	Nature of transactions	2023 €	2022 €
NetInfo UK Limited	Software Development	648.526	62.525
Netinfo Pay Limited	Management fees	62.880	62.880
		711.406	125.405

(iii) Amounts receivable/(payable) to subsidiaries

Name	Nature of transactions	2023 €	2022 €
NetInfo UK Ltd	Software Development	95.132	73.063
Netinfo Pay Limited	Management fees	37.414	18.708
Netinfo Pay Limited	Trade	(31.297)	(31.297)
NetInfo UK Limited	Trade	(9.994)	(14.056)
Netinfo Services Limited	Finance	(139.440)	(139.088)
NETteller Solutions S.A.	Finance	-	17.809
		(48.185)	(74.861)

The amounts payable to/from subsidiaries are interest free, and have no specified repayment date.

(iv) Directors' current accounts balances (Note 22)

	2023 €	2022 €
Polys Hadjikyriakos	788	442
Orlando Castellanos	(123)	(123)
	665	319

The directors' current accounts are interest free, and have no specified repayment date.

34. Participation of directors in the company's share capital

The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors (in accordance with Article (4) (b) of the Directive DI 190-2007-04), as at 31 December 2023 and 19 April 2024 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	31 December 2023 %	19 April 2024 %
Epaminondas Metaxas	0,08	0,08
Polycarpos Hadjikyriacos	13	13
Vassos Aristodemou	30	30
Andreas Petrides	0,16	0,16
Pavlos Iosifides	0,04	0,04
Constantinos Constantinou	0,04	0,04

35. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 31 December 2023 and 19 April 2024 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	31 December 2023 %	19 April 2024 %
CYGNATOR FUND RAIF V.C.I.C. LTD	6	6
Demetra Investment Ltd	5,73	5,73
Polycarpos Hadjkyriacos	13	13
Vassos Aristodemou	30	30
Sublevo Limited	10,53	10,53

36. Financial instruments - fair values and risk management

Financial risk factors

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Compliance risk

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework.

36. Financial instruments - fair values and risk management (continued)

Financial risk factors (continued)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in the Group's activities.

(i) *Credit risk*

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023	2022
	€	€
Trade and other receivables	1.472.114	1.623.810
Cash at bank	89.665	11.048
Other receivables	158.036	75.019
Bank deposits	1.799	1.799
Directors' current accounts	788	443
Contract Assets	388.602	404.428
	2.111.004	2.116.547

Impairment losses on financial assets and contract assets recognised in profit or loss were as follows:

	2023	2022
	€	€
Impairment charge - trade receivables	(35.803)	(26.454)

Trade receivables and contract assets

The Board of Directors has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Board of Directors.

Expected credit loss assessment for corporate customers as at 1 January and 31 December 2023

The Group uses an allowance matrix to estimate lifetime ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

36. Financial instruments - fair values and risk management (continued)

(i) ***Credit risk*** (continued)

The Group uses its historical credit loss experience for trade receivables, adjusted to reflect forecasts of future economic conditions, to estimate fixed loss rates depending on the number of days that a trade receivable is past due. The loss rate is estimated by comparing the amount not ultimately collected (written off) as a percentage of the receivables yet to be collected in each of the age categories.

Loss rates are calculated separately for exposures in different segments. Segmentation of trade receivables is based on the following common credit risk characteristics - geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 December 2023.

	Weighted-average loss rate	Gross carrying amount €	Loss allowance €	Net Carrying amount €	Credit-impaired
Current (not past due)	1,77 %	463.723	749	462.974	No
1-30 days past due	3,83 %	400.303	1.401	398.902	No
31-60 days past due	3,85 %	229.928	809	229.119	No
61-90 days past due	4,52 %	50.034	206	49.828	No
91-120 days past due	6,79 %	123.419	764	122.655	Yes
121-150 days past due	7,03 %	7.491	48	7.443	Yes
150-180 days past due	7,26 %	3.967	26	3.941	Yes
181-210 days past due	12,09 %	36.177	399	35.778	Yes
211-240 days past due	12,09 %	30.227	334	29.893	Yes
240-270 days past due	12,19 %	2.156	24	2.132	Yes
270-300 days past due	12,79 %	4.027	47	3.980	Yes
300-330 days past due	15,72 %	3.297	47	3.250	Yes
More than 300 days past due	0,75 %	79.952	71.668	8.284	Yes
Total	100.00 %	1.434.701	76.522	193.388	

Loss rates are based on actual credit loss experience over the past years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period and over which the historical data has been collected, current conditions and the Group's vire of economic conditions over the expected lives of the receivables.

36. Financial instruments - fair values and risk management (continued)

(i) *Credit risk* (continued)

Cash and cash equivalents

The table below shows an analysis of the Group's bank deposit by the credit rating of the bank in which they are held:

Bank group based on credit ratings by Moodys	No of banks	2023 €	2022 €
Ba2	1	350.000	350.000
	1	350.000	350.000

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Group uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for trade receivables.

(ii) *Liquidity risk*

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2023	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Bank loans	2.175.080	2.367.876	110.509	332.402	1.847.211	77.754
Bank overdrafts	1.207.976	1.207.976	1.207.976	-	-	-
Trade and other payables	1.425.770	1.425.770	1.425.770	-	-	-
Payables to related parties	123	123	123	-	-	-
	4.808.949	5.001.745	2.744.378	332.402	1.847.211	77.754

36. Financial instruments - fair values and risk management (continued)

(ii) ***Liquidity risk*** (continued)

31 December 2022	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Bank loans	2.542.412	2.868.634	110.510	331.513	1.981.126	445.485
Bank overdrafts	1.214.905	1.214.905	1.214.905	-	-	-
Trade and other payables	1.477.924	1.477.925	1.477.925	-	-	-
Directors' current accounts	123	123	123	-	-	-
	5.235.364	5.561.587	2.803.463	331.513	1.981.126	445.485

(iii) ***Market risk***

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2023 €	2022 €
Variable rate instruments		
Financial assets	441.465	12.847
Financial liabilities	(3.383.056)	(3.757.317)
	(2.941.591)	(3.744.470)

36. Financial instruments - fair values and risk management (continued)

(iii) ***Market risk*** (continued)

Interest rate risk (continued)

Sensitivity analysis

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Equity, net of tax		Profit or loss	
	100 bp increase €	100 bp decrease €	100 bp increase €	100 bp decrease €
31 December 2023				
Variable rate instruments	29.416	29.416	29.416	29.416
31 December 2022				
Variable rate instruments	37.444	37.444	37.444	37.444

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's functional currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the trade receivables. The currencies in which these transactions are primarily denominated are euro, US dollars.. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Group's exposure to foreign currency risk was as follows:

31 December 2023	United States Dollars €
Assets	
Trade receivables	659.133
Net exposure	659.133

31 December 2022	United States Dollars €
Assets	
Trade receivables	359.161
Net exposure	359.161

36. Financial instruments - fair values and risk management (continued)

(iii) ***Market risk*** (continued)

Currency risk (continued)

Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 December 2023 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Equity		Profit or loss	
	2023 €	2022 €	2023 €	2022 €
United States Dollars	65.913	35.916	65.913	35.916

(iv) ***Compliance risk***

Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the state. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Group.

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while increasing the return to owners through the strive to improve the debt to equity ratio. The Group's overall strategy remains unchanged from last year.

37. Fair values

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

38. Events after the reporting period

Significant events that occurred in the operating environment of the Group after the end of the reporting period are described in note 32 to the consolidated financial statements.

On 26 April 2024 the Board of Directors of NETinfo PLC approved and authorised these consolidated financial statements for issue.