NETINFO PLC

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

NETINFO PLC

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2022

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NETINFO PLC

OFFICERS AND PROFESSIONAL ADVISORS

Board of Directors	**Executive Directors** Vassos Aristodemou Polykarpos Hadjikyriakos Orlando Castellanos Zoe Zafeiropoulou Andreas Petrides **Non-Executive Directors** Pavlos Iosifides Michael Kammas Ioannis Ninios Epaminondas Metaxas Constantinos Constantinou
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 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 financial statements of NETinfo Plc (the "Company") for the year ended 31 December 2022, on the basis of our knowledge, declare that:

(a) The annual financial statements of the Company on pages 14 to 70:

(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 Company and the entities included in the 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 Company 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

Andreas Petrides

Zoe Zafeiropoulou

Non Executive Directors
Ioannis Ninios

Epaminondas Metaxas

Michael Kammas

Constantinos Constantinou

Pavlos Iosifides

Responsible for drafting the financial statements

Andreas Petrides

Nicosia, 26 April 2023

NETINFO PLC

MANAGEMENT REPORT

The Board of Directors of NETinfo Plc (the "Company") presents to the members its Annual Report together with the audited financial statements of the Company for the year ended 31 December 2022.

INCORPORATION

NETinfo Plc (the "Company") was incorporated 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 COMPANY

The principal activities of the Company, which remain 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 12.820.670 ordinary shares of nominal value of €0,22 per share on the Alternative Market of the Cyprus Stock Exchange and started trading on the 27th of April 2021.

FINANCIAL RESULTS

The Company's financial results for the year ended 31 December 2022 are set out on page 14 to the financial statements. The net profit for the year attributable to the owners of the Company amounted to €31.885 (2021: €249.378).

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

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

Financial Technology Companies tend to invest heavily in developing a strong product and high quality asset and service offering either through acquisitions or internal development. The Company is one of the leading financial technology companies in Cyprus with a qualified team of developers which was further strengthened in 2022. During the year, the Company invested significantly in upgrading the offered software platform products which are compatible with current and next generation.

During the year, an amount of €451.715 (2021: €589.368) was capitalized as part of the investment in the development of its innovative software platform.

REVENUE

The Company's revenue for the year ended 31 December 2022 was €4.994.896 (2021: €4.179.709).

DIVIDENDS

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

MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 38 to the financial statements.

USE OF FINANCIAL INSTRUMENTS BY THE COMPANY

The Company is exposed to interest rate 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 Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company 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 Company 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 Company 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 Company 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 Company in the foreseeable future.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company 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 €451.715 (2021: €589.368) was capitalized.

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 Company recognized the importance of implementing sound corporate governance policies, practices and procedures including the appointment of an independent Audit Committee and the appointment of a competent Internal Auditor responsible for the Internal Audit Function of the Company reporting directly to the Audit Committee. Through the Internal Audit relevant governance has been implemented for the preparation of consolidated financial statements and interim reporting.

PARTICIPATION OF DIRECTORS IN THE COMPANY'S SHARE CAPITAL

Disclosed in note 37 to the financial statements.

BRANCHES

During the year ended 31 December 2022 the Company did not operate any branches.

BOARD OF DIRECTORS

The members of the Company's Board of Directors as at 31 December 2022 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 2022.

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 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 40 to the 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 2023

KPMG Limited
Chartered Accountants
14 Esperidon Street, 1087 Nicosia, Cyprus
P.O. Box 21121, 1502 Nicosia, Cyprus
T: +357 22 209000, F: +357 22 678200

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

NETINFO PLC

Report on the audit of the financial statements

Opinion

We have audited the accompanying separate financial statements of the parent company NETinfo Plc (the "Company"), which are presented on pages 13 to 69 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the parent company NETinfo Plc as at 31 December 2022, and of its financial performance and its 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, as amended from time to time (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 financial statements"' section of our report. We are independent of the Company 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.

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.

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 2022 is € 3.494.050 and consists of 31% 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 2022 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.

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

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to either liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company'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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's 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 Company'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 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 Company to cease to continue as a going concern.

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

We 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 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

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 4 years covering the periods ending 31 December 2017 to 31 December 2022.

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 26 April 2023.

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 Companie'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 2022 comprising the XHTML file which includes the annual financial statements for the year then ended (the "digital files").

The Board of Directors of NETinfo Plc is responsible for preparing and submitting the financial statements for the year ended 31 December 2022 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 equired to plan and perform our audit procedures in order to examine whether the content of the financial statements included in the digital files corresponds to the financial statements we have audited, and whether 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 corresponds to the financial statements, and the financial statements included in the digital file, are presented 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.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2022.

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

27 April 2023

NETINFO PLC

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 €	2021 €
Assets			
Property, plant and equipment	20	3.945.357	3.924.920
Intangible assets	21	3.494.050	3.395.814
Investments in subsidiaries	23	1.127	195.000
Contract assets	8	20.929	76.791
Total non-current assets		7.461.463	7.592.525
Contract assets	8	366.308	435.634
Trade and other receivables	24	1.504.108	608.814
Cash and cash equivalents	25	12.681	634.506
Investment in subsidiary classified as held for sale	23	1.905.537	1.817.664
Total current assets		3.788.634	3.496.618
Total assets		11.250.097	11.089.143
Equity			
Share capital	27	2.820.547	2.820.547
Share premium		1.282.911	1.282.911
Other reserves	28	1.516.790	1.509.304
Accumulated losses		(450.216)	(368.848)
Total equity		5.170.032	5.243.914
Liabilities			
Loans and borrowings	29	2.178.754	2.520.191
Deferred tax liabilities	30	177.062	185.410
Government Grants	32	52.040	56.771
Total non-current liabilities		2.407.856	2.762.372
Bank overdrafts	25	1.214.905	1.068.906
Short term portion of long-term loans	29	363.658	350.984
Trade and other payables	31	2.047.534	1.615.992
Deferred income	32	4.731	4.731
Tax liability	33	41.381	42.244
Total current liabilities		3.672.209	3.082.857
Total liabilities		6.080.065	5.845.229
Total equity and liabilities		11.250.097	11.089.143

On 26 April 2023 the Board of Directors of NETinfo Plc approved and authorised these financial statements for issue.

....
Vassos Aristodemou
Director

....
Andreas Petrides
Director

The notes on pages 19 to 70 are an integral part of these financial statements.

NETINFO PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	2022 €	2021 €
Revenue			
Total revenue	8	4.994.896	4.179.709
Cost of sales	9	(2.593.116)	(2.123.739)
Gross profit		2.401.780	2.055.970
Other operating income	10	86.557	284.021
Selling and distribution expenses	11	(42.193)	(39.086)
Administrative expenses	12	(2.027.441)	(1.693.811)
(Impairment)/Reversal of impairment on trade receivables and contract assets	8, 24	(26.454)	110.859
Other operating expenses		(262)	(61.123)
Operating profit before impairment of subsidiary	13	391.987	656.830
Impairment in subsidiary		(106.000)	(105.000)
Operating profit after impairment of subsidiary	14	285.987	551.830
Finance income - total	16	29.707	5.177
Finance costs - total	16	(154.684)	(175.580)
Net finance expenses		(124.977)	(170.403)
Profit before tax		161.010	381.427
Tax	17	(129.125)	(132.049)
Profit for the year		31.885	249.378
Other comprehensive income			
Items that will never be reclassified to profit or loss:			
Revaluation of property, plant and equipment		-	794.544
Deferred tax on other comprehensive income	17	7.486	(111.135)
		7.486	683.409
Other comprehensive income for the year		7.486	683.409
Total comprehensive income for the year		39.371	932.787
Basic earnings per share (cent)	18	0.25	1.95
Diluted earnings per share (cent)	18	0.25	1.95

The notes on pages 19 to 70 are an integral part of these financial statements.

NETINFO PLC

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Note	Share capital €	Share premium €	Revaluation reserve €	Accumulated losses €	Total equity €
Balance at 1 January 2021		2.820.547	1.282.911	825.895	(575.311)	4.354.042
Comprehensive income						
Profit for the year		-	-	-	249.378	249.378
Other comprehensive income for the year		-	-	683.409	-	-
Total comprehensive income for the year		-	-	683.409	249.378	932.787
Transactions with owners of the Company						
Special contribution to the defence fund and General Health System (GHS) on deemed distribution	19	-	-	-	(42.914)	(42.914)
Total contributions and distributions		-	-	-	(42.914)	(42.914)
Balance at 31 December 2021		2.820.547	1.282.911	1.509.304	(368.847)	5.243.915

The notes on pages 19 to 70 are an integral part of these financial statements.

NETINFO PLC

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2022

	Note	Share capital €	Share premium €	Revaluation reserve €	Accumulated losses €	Total equity €
Balance at 1 January 2022		2.820.547	1.282.911	1.509.304	(368.847)	5.243.915
Comprehensive income						
Profit for the year		-	-	-	31.885	31.885
Other comprehensive income for the year		-	-	7.486	-	-
Total comprehensive income for the year		-	-	7.486	31.885	39.371
Transactions with owners of the Company						
Special contribution to the defence fund and General Health System (GHS) on deemed distribution	19	-	-	-	(113.254)	(113.254)
Total contributions and distributions		-	-	-	(113.254)	(113.254)
Balance at 31 December 2022		2.820.547	1.282.911	1.516.790	(450.216)	5.170.032

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 effectively realised, is transferred directly to retained earnings.

The notes on pages 19 to 70 are an integral part of these financial statements.

NETINFO PLC

STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2022

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.

The notes on pages 19 to 70 are an integral part of these financial statements.

NETINFO PLC

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Note	2022 €	2021 €
Cash flows from operating activities			
Profit for the year		31.885	249.378
Adjustments for:			
Depreciation of property, plant and equipment	20	201.054	159.185
Amortisation of computer software	21	353.478	330.893
Loss from the sale of property, plant and equipment		262	-
Non refundable advances under the contract for sale of the subsidiary		-	(268.877)
Loss from the sale of investment properties		-	9.500
Impairment charge - investments in subsidiaries	23	106.000	105.000
Reversal of impairment of contract assets	8	-	(110.859)
Write of receivables with related party	35	-	50.500
Impairment charge - trade receivables	24	26.452	-
Interest expense	16	116.231	145.054
Income tax expense		129.125	132.049
Cash generated from operations before working capital changes		964.487	801.823
(Increase)/decrease in trade and other receivables		(921.746)	399.019
Decrease in contract assets		125.188	160.194
Increase/(decrease) in trade and other payables		431.542	(96.477)
Decrease in deferred income		(4.731)	(4.731)
Cash generated from operations		594.740	1.259.828
Tax paid		(130.849)	(87.974)
Net cash generated from operating activities		463.891	1.171.854
Cash flows from investing activities			
Payment for investment in R & D	21	(451.715)	(589.368)
Payment for acquisition of property, plant and equipment	20	(221.752)	(71.603)
Additional contribution in investment in subsidiaries	23	-	(308.790)
Proceeds from sale of investment properties	22	-	294.500
Proceeds from sale of investments in subsidiary undertakings		-	900.000
Net cash (used in)/generated from investing activities		(673.467)	224.739
Cash flows from financing activities			
Repayment of borrowings		(328.763)	(1.384.388)
Proceeds from borrowings		-	400.000
Interest paid		(116.231)	(117.859)
Special contribution to the defence fund on deemed distribution paid		(113.254)	(42.914)
Net cash used in financing activities		(558.248)	(1.145.161)
Net (decrease)/increase in cash and cash equivalents		(767.824)	251.432
Cash and cash equivalents at beginning of the year		(434.400)	(685.832)
Cash and cash equivalents at end of the year	25	(1.202.224)	(434.400)

The notes on pages 19 to 70 are an integral part of these financial statements.

NETINFO PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. Reporting entity

NETinfo Plc (the "Company") is domiciled in Cyprus. The Company 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 Aglatzias Avenue, Netinfo Building, 2108, Nicosia, Cyprus.

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

2. Basis of accounting

The Company has subsidiary undertakings and according to 142(1)(b) of the Cyprus Companies Law Cap. 113 is required to prepare consolidated financial statements and laid them before the members of the Company at the Annual General Meeting.

2.1 Statement of compliance

The 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.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from NetInfo Building, 23 Aglantzias, 2108, Nicosia, Cyprus

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2022 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group

2.2 Basis of measurement

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

3. Functional and presentation currency

The 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)

As from 1 January 2022, the Company adopted all changes to International Financial Reporting Standards (IFRSs) as adopted by the EU, which are relevant to its operations. This adoption did not have a material effect on the financial statements of the Company.

The following Standards, Amendments to Standards and Interpretations have been issued by the International Accounting Standards Board (IASB) but are not yet effective for annual periods beginning on 1 January 2022. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these Standards early.

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

(i) Standards and Interpretations adopted by the EU

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 (All issued 14 May 2020) (effective for annual periods beginning on or after 1 January 2022).

(ii) Standards and Interpretations not adopted by the EU

- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2023).
- IFRS 10 (Amendments) and IAS 28 (Amendments) "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (effective date postponed indefinitely).

The Board of Directors expects that the adoption of these standards in future periods will not have a material effect on the financial statements of the Company.

5. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company'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 financial statements is included in the following notes:

- Notes 8 "Revenue recognition" - maintenance income: whether revenue is recognised over time or at a point in time.
- Note 21 "Capitalization of software development costs" - determination whether the recognition criteria are met.

5. **Use of estimates and judgements** (continued)

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 21 - Impairment test of capitalized research and development: key assumptions underlying recoverable amounts and value in use.
- Note 24 "Provision for credit losses for trade receivables and other contract assets" - the Company reviews its trade and other receivables for evidence of their recoverability.
- Notes 23 and 6 "Impairment of investments in subsidiaries" - determine the recoverability of investments in subsidiaries whenever indicators of impairment are present.

5.3 Measurement of fair values

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

The Company has an established control framework with respect to the measurement of fair values. TThe management has appointed an external valuator responsible for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

When measuring the fair value of an asset or a liability, the Company 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 Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5. Use of estimates and judgements (continued)

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

- Note 20 - Property, plant and equipment

6. Significant accounting policies

The following accounting policies have been applied consistently for all the years presented in these financial statements.

6.1 Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiaries are stated at cost, which includes transaction costs, less provision for permanent diminution in value, which is recognised as an expense in the period in which the diminution is identified.

6.2 Segmental reporting

The Company 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 Company operates only in Cyprus and for this reason operations are not analysed by geographical segment.

6.3 Revenue recognition

Contracts identification

The Company 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 Company 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 Company's future cash flows is expected to change as a result of the contract), it is probable that the Company 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 Company's contracts with customers.

6. Significant accounting policies (continued)

6.3 Revenue recognition (continued)

The transaction price

Revenue represents the amount of consideration to which the Company 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 Company 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 Company elects to use the practical expedient and does not adjust any of the transaction prices for the time value of money.

Identification of the performance obligations

The Company 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 Company'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

Loyalty programme:

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

The Company 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 Company 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.

6. Significant accounting policies (continued)

6.3 Revenue recognition (continued)

Performance obligations and revenue recognition policies (continued)

Rendering of services - at a point in time:

The Company 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 Company 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.

6.4 Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company 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 Company 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 Company.

6.5 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. Significant accounting policies (continued)

6.6 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.

6.7 Foreign currency translation

(i) Functional currency

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

The Financial Statements have been prepared in Euro (€). The functional currency of the subsidiary companies is as follows:

- NETinfo Services Limited: Euro (€)
- NETteller Solutions S.A: Euro (€)
- NETinfo Ltd: UK Pound Sterling (£)
-NetInfo Pay : Euro (€)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency 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.

6.8 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.

6. Significant accounting policies (continued)

6.8 Tax (continued)

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 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 Company intends to settle its current tax assets and liabilities on a net basis.

6.9 Dividends

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

6.10 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.

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
Computer Hardware	20
Motor Vehicles	20
Furniture, fixtures and office equipment	10
Telephone Center, mobile phones & cameras	10

No depreciation is provided on land.

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

6.10 Property, plant and equipment (continued)

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 Company. 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.

6.11 Deferred income

Deferred income represents income receipts which relate to future periods.

6.12 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 combensate 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.

6.13 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 Company 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 Company will retain a non-controlling interest in its former subsidiary after the sale.

6. Significant accounting policies (continued)

6.13 Non-current assets held for sale (continued)

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 Company'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.

6.14 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 Company 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.

(ii) Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company 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. Amortisation commences when the computer software is available for use and is included within administrative expenses.

The annual depreciation rates 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.

6. Significant accounting policies (continued)

6.14 Intangible assets (continued)

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 Leases

At inception of a contract, the Company 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 Company 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 Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company 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 Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company 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 Company 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 Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company as lessee

The Company 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 Company's incremental borrowing rate.

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

- fixed payments, including in-substance fixed payments;

6. Significant accounting policies (continued)

6.15 Leases (continued)

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company 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 Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company 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 Company presents its right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' in the statement of financial position.

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

Short-term leases and leases of low-value assets

The Company 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 Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

6.16 Financial instruments

6.16.1 Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company 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)

6.16 Financial instruments (continued)

6.16.2 Classification and subsequent measurement

6.16.2.1 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 Company 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 Company 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 Company 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)

6.16 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 Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Financial assets - Business model assessment

The Company 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 Company'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 Company'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)

6.16 Financial instruments (continued)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company 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 Company 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 Company'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.

6.16.2.2 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.

6. Significant accounting policies (continued)

6.16 Financial instruments (continued)

The financial liabilities of the Company 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)

6.16 Financial instruments (continued)

6.16.3 Impairment

- *Financial instruments and contract assets*

The Company recognises loss allowances for ECLs on:

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

The Company 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 Company 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 Company's historical experience and informed credit assessment and including forward-looking information.

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

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

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

The Company 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 Company 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)

6.16 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 Company 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 Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

- *Credit-impaired financial assets*

At each reporting date, the Company 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 Company on terms that the Company 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)

6.16 Financial instruments (continued)

- *Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company 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 Company 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 Company 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 Company's procedures for recovery of amounts due.

6.17 Derecognition of financial assets and liabilities

Financial assets

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

- the contractual rights to receive cash flows from the asset have expired;
- the Company 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 Company 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 Company is recognised as a separate asset or liability

Financial liabilities

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

The Company 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)

6.18 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when, and only when, the Company 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 statement of financial position.

6.19 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.

6.20 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)

6.21 Provisions

Provisions are recognised when the Company 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 Company 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.

6.22 Non-current liabilities

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

6.23 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.

2022	Total €
Revenue	4.994.896
Profit before tax	161.010
Assets	11.250.097
Liabilities	6.080.065
Capital expenditure	221.801
Depreciation	201.053

2021	Total €
Revenue	4.179.709
Profit before tax	381.427
Assets	11.089.143
Liabilities	5.845.229
Capital expenditure	71.603
Depreciation	159.185

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 Company generates revenue primarily from licensing its digital banking platform and from the provision of professional services for the design and implementation of digital banking systems to its customers. Other sources of revenue include the rendering of services such as support, maintenance, outsourcing and web design.

	2022 €	2021 €
Outsourcing services	627.626	689.590
Software Development and Implementation	2.363.809	1.627.539
Sales of computer accessories	-	14.734
Web design services	136.973	162.991
Maintenance and consulting services	1.526.968	1.668.959
Other Income	855	15.896
Income from Cloud services	338.665	-
	4.994.896	4.179.709

Revenue from software development and implementation includes an amount for the year ended 2022 of €62.525 billed to subsidiaries (2021: €89.790).

The Company's most important customers in respect of revenue recognized during the year were Bank of Cyprus Ltd, KCB, Profile Systems Software S.A, ANSA and Alpha Bank

	2022 €	2021 €
Primary Geographical markets		
Europe	2.462.675	2.022.535
Asia	1.214.630	532.664
Africa	715.887	956.725
Other	601.703	667.785
	4.994.895	4.179.709

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

	2022 €	2021 €
Contract liabilities	702.237	432.588
Contract assets	404.428	529.616
Less: Provision for impairment of contract assets	(17.191)	(17.191)
	387.237	512.425

8. Revenue (continued)

Movement of contract assets and contract liabilities	Contract assets €	Contract Liabilities €
Balance as per 31.1.2022	512.425	(432.588)
Cost of work excecuted until completion	1.365.836	-
Invoices issued	-	1.382.256
Revenue recognised	(1.473.833)	(1.651.905)
Balance as per 31.12.2022	404.428	(702.237)

The contract assets primarily relate to the Company'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 upon the completion of specific milestones. This usually happens when the Company 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 is issued to the customer and money was received.

8.3 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, implementation and licensing	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 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.

NETINFO PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

8. Revenue (continued)

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
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.
Web design services	The customer obtains control of the product once design is completed. Invoices are generated based on pre-agreed milestones set in the contracts. 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 i-cloud 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 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

	2022 €	2021 €
Staff costs	1.962.130	1.592.262
Subcontracted work	97.532	117.448
Software licenses	47.849	60.303
Amortization of software	353.479	330.894
Cloud services	107.900	-
Depreciation computer hardware	24.226	22.832
	2.593.116	2.123.739

10. Other operating income

	2022 €	2021 €
Management fees (*)	62.880	-
Non refundable advances under the contract for sale of the subsidiary	-	270.000
Government grants	23.677	4.731
Rental income	-	9.290
	86.557	284.021

(*) Relate to management fees to the subsidiary company Netinfo Pay Ltd that will be reinbursed from the new buyer.

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For the year ended 31 December 2022

11. Selling and distribution expenses

	2022 €	2021 €
Advertising	37.476	29.112
Decoration	1.720	1.646
Commissions	-	7.000
Other selling and distribution expenses	2.997	1.328
	42.193	39.086

12. Administrative expenses

	2022 €	2021 €
Staff costs	1.292.872	1.146.122
Common expenses	4.586	5.809
Licenses and taxes	4.994	4.956
Electricity	56.609	35.966
Water supply and cleaning	8.110	8.666
Insurance	25.822	25.442
Repairs and maintenance	16.608	17.922
Sundry expenses	6.419	2.166
Telephone and postage	14.506	17.997
Stationery and printing	5.449	4.591
Subscriptions and contributions	18.670	14.199
Non charitable donations	15.215	9.316
Staff training	14.945	12.742
Computer supplies and maintenance	10.874	13.539
Computer software	27.267	11.841
Independent auditors' remuneration for the statutory audit of annual accounts	32.500	26.500
Independent auditors' remuneration for ESEF	5.000	-
Independent auditors' remuneration - prior years	3.500	500
Legal fees	11.680	6.760
Other professional fees	71.195	53.955
Translation fees	684	4.021
Fines	2.927	183
Overseas travelling	94.921	58.847
Entertaining	15.326	8.519
Motor vehicle running costs	52.414	39.500
Depreciation	176.828	136.353
Sundry expenses	37.520	27.399
	2.027.441	1.693.811

13. Other operating expenses before impairment of the subsidiary

	2022 €	2021 €
Loss on disposal of property, plant and equipment	262	-
Loss from write off of investments in subsidiaries	-	1.123
Loss from sales of investment properties	-	9.500
Impairment charge -receivables to related parties	-	50.500
	262	61.123

14. Operating profit before impairment of subsidiary

	Note	2022 €	2021 €
Operating profit after impairment of subsidiary is stated after charging the following items:			
Amortisation of computer software	21	353.478	330.893
Depreciation of property, plant and equipment	20	201.054	159.185
Staff costs - Cost of Sales	15	1.962.130	1.592.562
Staff costs - Administrative expenses	15	1.292.872	1.146.122
Independent auditors' remuneration for the statutory audit of annual accounts		32.500	26.500
Independent auditors' remuneration for ESEF		5.000	5.000
Independent auditors' remuneration - prior years		3.500	500

NETINFO PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

15. Staff costs

		2022	2021
		€	€
Salaries (including Directors in their executive capacity)		2.673.234	2.188.165
Wages		69.060	76.751
Social insurance contributions		283.057	257.357
GHS and other medical contributions		95.744	94.713
Social cohesion fund contributions		59.740	53.460
Pensions cost		74.167	67.938
Total staff costs	14	3.255.002	2.738.384

The average number of employees employed by the Company during the year 2022 and 2021 were 87 and 93 respectively.

The Company 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 €373.776 which relates to developments made to the main software library and direct costs of €77.939 in relation to the development of software.

16. Net finance income and costs

	2022	2021
	€	€
Finance income		
Realised foreign exchange profit	29.707	5.177
Finance costs		
Loan interest	87.562	89.430
Bank overdraft interest	28.431	27.158
Debenture interest	-	28.239
Interest on taxes	238	-
Bank charges	38.453	30.526
	154.684	175.353

NETINFO PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

17. Taxation

	Note	2022 €	2021 €
Corporation tax - current year		-	41.336
Corporation tax - prior years		14.490	552
Overseas tax		115.448	76.484
Special contribution to the defence fund - current year		48	-
Capital gains tax		-	10.997
Deferred tax - credit/charge	30	(861)	2.680
Charge for the year		129.125	132.049

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

	2022	2022 €	2021	2021 €
Accounting profit before tax		161.010		381.427
Tax calculated at the applicable tax rates	12,50 %	20.126	12,50 %	47.678
Tax effect of expenses not deductible for tax purposes	66,21 %	106.606	- %	-
Tax effect of allowances and income not subject to tax	46,80 %	75.351	- %	-
Tax effect of tax losses brought forward	(125,51)%	(202.083)	- %	-
Special contribution to the defence fund	0,03 %	48	- %	-
Capital gains tax	- %	-	2,88 %	10.997
Deferred tax	(0,53)%	(861)	0,70 %	2.680
Prior year tax	9,00 %	14.490	0,14 %	552
Overseas tax in excess of credit claim used during the year	71,70 %	115.448	20,05 %	76.484
Tax as per statement of profit or loss and other comprehensive income - charge	80,20 %	129.125	34,62 %	132.049

The corporation tax rate is 12,5%. In addition, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

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. Taxation (continued)

The Company's chargeable income for the year amounted to €1.616.661 which has been set off against tax losses brought forward. Under current legislation, tax losses may be carried forward and be set off against taxable income of the following five years. As at 31 December 2022 the balance of tax losses which is available for offset against future taxable profits amounts to €739.459.

18. Earnings per share

	2022	2021
Basic earnings attributable to owners (€)	31.885	249.378
Weighted average number of ordinary shares in issue during the year	12.820.670	12.820.670
Basic earnings per share (cent)	0.25	1.95
Diluted weighted average number of shares	12.820.670	12.820.670
Diluted earnings per share (cent)	0.25	1.95

19. Dividends

	2022 €	2021 €
Special contribution to the defence fund and General Health System (GHS) on deemed distribution	113.254	42.914

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

NETINFO PLC

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

20. Property, plant and equipment

2022	Land and buildings	Computer Hardware	Motor vehicles	Furniture, fixtures and office equipment	Telephone Center, mobile phones & cameras	Total
	€	€	€	€	€	€
Cost or valuation						
Balance at 1 January	4.307.359	536.535	445.362	502.916	39.425	5.831.597
Additions	48.830	29.902	134.999	3.129	4.941	221.801
Disposals	-	(779)	-	-	-	(779)
Balance at 31 December	4.356.189	565.658	580.361	506.045	44.366	6.052.619
Depreciation						
Balance at 1 January	607.359	490.738	371.495	417.156	19.929	1.906.677
Depreciation for the year	101.981	24.226	48.635	20.160	6.051	201.053
On disposals	-	(468)	-	-	-	(468)
Balance at 31 December	709.340	514.496	420.130	437.316	25.980	2.107.262
Carrying amounts						
Balance at 31 December	3.646.849	51.162	160.231	68.729	18.386	3.945.357

2021	Land and buildings	Computer Hardware	Motor vehicles	Furniture, fixtures and office equipment	Telephone Center, mobile phones & cameras	Total
	€	€	€	€	€	€
Cost or valuation						
Balance at 1 January	3.512.815	526.359	391.371	502.673	32.232	4.965.450
Additions	-	10.176	53.991	243	7.193	71.603
Adjustment on revaluation	794.544	-	-	-	-	794.544
Balance at 31 December	4.307.359	536.535	445.362	502.916	39.425	5.831.597
Depreciation						
Balance at 1 January	520.554	467.906	346.959	397.308	14.765	1.747.492
Depreciation for the year	86.805	22.832	24.536	19.848	5.164	159.185
Balance at 31 December	607.359	490.738	371.495	417.156	19.929	1.906.677
Carrying amounts						
Balance at 31 December	3.700.000	45.797	73.867	85.760	19.496	3.924.920

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

20. Property, plant and equipment (continued)

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 management perform a valuation in 2021 and no valuation in 2022 since there were no changes in the current state of the property compared to prior year.

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.

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

	2022 €	2021 €
Carrying amounts	311	-
(Loss) from the sale of property, plant and equipment	(262)	-
Proceeds from disposal of property, plant and equipment	49	-

Land and buidlings have not been revalued in 2022 by an independent valuer as there are no significant changes.

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

	2022 €	2021 €
Cost	3.081.589	3.032.759
Accumulated depreciation	(612.651)	(543.947)
Net book amount	2.468.938	2.488.812

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.

20. Property, plant and equipment (continued)

Bank borrowings are secured on land and buildings to the value of €3.803.612 (2021: €3.803.612) (Note 29).

21. Intangible assets

2022	Computer software €
Cost	
Balance at 1 January	6.532.676
Additions	451.715
Balance at 31 December	6.984.391
Amortisation	
Balance at 1 January	3.136.862
Amortisation for the year	353.479
Balance at 31 December	3.490.341
Carrying amounts	
Balance at 31 December	3.494.050

2021	Computer software €
Cost	
Balance at 1 January	5.943.308
Additions	589.368
Balance at 31 December	6.532.676
Amortisation	
Balance at 1 January	2.805.969
Amortisation for the year	330.893
Balance at 31 December	3.136.862
Carrying amounts	
Balance at 31 December	3.395.814

Computer software realtes 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.

21. Intangible assets (continued)

Additions made to computer software in 2022 comprise the following:

- staff costs €373.775 in relation to developments made to the main software library.
- direct costs €77.939 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.

22. Investment property

	2022 €	2021 €
Balance at 1 January	-	304.000
Disposals	-	(304.000)
Balance at 31 December	-	-

During the year 2021, the Company disposed off the Investment Property at the net consideration of €294.500 realizing a loss on disposal of €9.500.

23. Investments in subsidiaries

	2022 €	2021 €
Balance at 1 January	2.012.664	1.808.997
Additions	-	308.790
Disposals	-	(123)
Impairment charge	(106.000)	(105.000)
Balance at 31 December	1.906.664	2.012.664

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2022 Holding %	2021 Holding %	2022 €	2021 €
NETinfo Limited	United Kingdom	Development of Software	100	100	1.127	195.000
NETinfoPay Limited	Cyprus	Electronic Money Institution	100	100	1.905.537	1.817.664
NETinfo Services Limited	Cyprus	Holding	100	100	-	-
NETteller Solutions S.A.	Costa Rica	Holding	100	100	-	-
					1.906.664	2.012.664

During the year 2021, NETinfo Plc entered into an agreement for the disposal of the total number of shares held in NetInfo Pay Ltd at a total consideration of €2.150.000. The disposal is still under the procees of approval of the new shareholders by the Central Bank of Cyprus. The investment in Netinfo Pay is presented as a current asset Held For Sale on the Statement of Financial Position. Management is in communication with the Central Bank of Cyprus, closely monitoring the issue, and has provided all relevant information/documents.

23. Investments in subsidiaries (continued)

The Company has already received a payment amounting to €900,000 upon signing the sale agreement and may receive €1,250,000 upon approval of the sale by the CCB. All the expenses incurred by the subsidiary after the disposal date have been paid by the prospective buyer. The management has calculated the recoverable amount fo the subsdiary on the basis of the total consideration as per agreement less any profits on disposal arleady recognised in the prior year.

The investment of EUR 193,873 in Netinfo UK was reclassified to Netinfo Pay Ltd to reflect an initial capital contribution made from Netinfo PLC to Netinfo Pay Limited through Netinfo UK Limited. The reclassification was conducted to reflect the relevance of the transaction at the time it was made. .

The Company evaluates the recoverability of investments in subsidiaries at each reporting date. 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.

24. Trade and other receivables

	2022 €	2021 €
Trade receivables (1)	1.465.086	731.931
Less: Provision for impairment of trade receivables	(58.822)	(177.250)
Trade receivables - net	1.406.264	554.681
Receivables from own subsidiaries (Note 35 (iii))	17.832	17.832
Directors' current accounts - debit balances (Note 35 (v))	443	283
Deposits and prepayments	4.550	8.748
Flutterwave UK Ltd	64.519	-
Other receivables	10.500	27.270
	1.504.108	608.814

(1) Trade receivables include an amount of € 18.707 oustanding from related company Netinfo Pay Ltd for professional fees granted and an amount oustanding of €73.063 from subsidiary company Netinfo Limited (UK) for serivces rendered on software development.

NETINFO PLC

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For the year ended 31 December 2022

24. Trade and other receivables (continued)

Ageing analysis of trade and other receivables:

	Gross amount 2022 €	Impairment 2022 €	Gross amount 2021 €	Impairment 2021 €
Not past due	617.732	-	449.549	(1.547)
Past due 31-120 days	362.502	-	68.576	(502)
More than 120 days	484.851	(58.822)	213.806	(175.201)
	1.465.085	(58.822)	731.931	(177.250)

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

Movement in provision for impairment of receivables:

	2022 €	2021 €
Balance at 1 January	177.250	217.250
Impairment on trade receivables	26.452	-
Reversal of impairment on trade receivables	-	(40.000)
Write off of receivables	(144.880)	-
Balance at 31 December	58.822	177.250

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 38 to the financial statements.

25. Cash and cash equivalents

	2022 €	2021 €
Cash in hand	5.807	1.414
Cash at bank	6.874	633.092
	12.681	634.506

25. Cash and cash equivalents (continued)

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2022 €	2021 €
Cash and cash equivalents	12.681	634.506
Bank overdrafts	(1.214.905)	(1.068.906)
	(1.202.224)	(434.400)

The weighted average effective interest rate on bank overdrafts at the reporting date was 3,67% (2021: 3,59%)

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 38 to the financial statements.

26. Capital management

The Company 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 Company's overall strategy remains unchanged from last year.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to owners, return capital to owners or issue new shares.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings. Total capital is calculated as "equity" as shown in the statement of financial position plus net debt.

27. Share capital

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
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.

6.20 Share capital (continued)

27. Share capital (continued)

Issued capital

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

28. Reserves

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 effectively realised, is transferred directly to retained earnings.

29. Loans and borrowings

Changes in loans and borrowings:

	2022 €	2021 €
Balance at 1 January	2.871.175	3.737.704
Additions	-	400.000
Repayments	(416.325)	(1.384.388)
Interest charged for the year	87.562	117.859
Balance at 31 December	2.542.412	2.871.175

	2022 €	2021 €
Non-current liabilities		
Bank loans	2.178.754	2.520.191
Current liabilities		
Bank loans	363.658	350.984
Total	2.542.412	2.871.175

29. Loans and borrowings (continued)

Maturity of borrowings:

	2022	2021
	€	€
Within one year	363.658	350.984
Between one and five years	1.777.961	1.998.013
After five years	400.793	522.178
	2.178.754	2.520.191
	2.542.412	2.871.175

The bank loan in the original amount of €1.650.000 is repayable by monthly instalments of €15.023 each through to 2029.

The bank loan in the original amount of €600.000 is repayable by monthly instalments of €5.766 each through 2029.

The bank loan in the original amount of €1.015.000 is repayable by monthly instalments of €5.957 each through 2031.

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

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

The bank loan in the original amount of €9.281 is repayable by monthly instalments of €169 each through 2024.

The bank loans are secured as follows:

- By personal guarantees of €4.064.281 (2021: €4.064.281).
- By mortgage against immovable property of the Company for €3.803.612 (2021: €3.803.612).
- By fixed charge on Company computer software for €200.000 (2021: €200.000).

The weighted average effective interest rate on bank loans at the reporting date was 3,22% (2021: 3,12%).

29. 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 2022 €	Face value 2021 €	Carrying amounts 2022 €	Carrying amounts 2021 €
Business Loan	Euro	3,07%	2029	1.650.000	1.650.000	1.097.028	1.238.949
Business Loan	Euro	3,07%	2029	600.000	600.000	424.055	478.914
Business Loan	Euro	3,07%	2031	1.015.000	1.015.000	510.259	564.951
Business Loan	Euro	1,25%	2025	500.000	500.000	152.552	185.524
Business Loan	Euro	4.1%	2029	400.000	400.000	354.611	397.077
Hire Purchase	Euro	3.5%	2024	9.281	9.281	3.907	5.760
				4.174.281	4.174.281	2.542.412	2.871.175

30. Deferred tax

Deferred tax liability

	2022 €	2021 €
Balance at 1 January	185.410	71.594
Revaluation of land and buildings	(7.487)	111.136
Credit in profit or loss	(861)	-
Debit in profit or loss	-	2.680
Balance at 31 December	177.062	185.410

Deferred taxation liability arises as follows:

	2022 €	2021 €
Accelerated tax depreciation	8.235	9.296
Revaluation of land and buildings	168.827	176.114
	177.062	185.410

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 17). The applicable corporation tax rate in the case of tax losses is 12,5%.

31. Trade and other payables

	2022 €	2021 €
Trade payables	190.650	121.613
Social insurance and other taxes	135.274	107.918
VAT	119.329	84.388
Directors' current accounts - credit balances (Note 35)	123	123
Accruals	40.209	26.705
Other creditors	573.594	570.785
Contract Liabilities	702.237	432.588
Special contribution to the defence fund and GHS on deemed distribution.	101.677	80.504
Payables to own subsidiaries (Note 35 (iv))	184.441	191.368
	2.047.534	1.615.992

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.

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.

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

32. Government Grants

	2022 €	2021 €
Government grants	56.771	61.502
Deferred income more than one year	52.040	56.771
Deferred income within one year	4.731	4.731
	56.771	61.502

33. Tax liability

	2022	2021
	€	€
Corporation tax	41.336	41.336
Special contribution to the defence fund	45	908
	41.381	42.244

There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

34. Operating environment of the Company

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stricter 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.

With the Covid-19 pandemic and the unprecedented health crisis it created coming to an end, the Management is now in a position to view the business environment pertinent to the Company operations with more optimism. However, the war in Ukraine and the sanctions imposed on Russia are having a limited negative impact related mainly to the suspension of maintenance agreements with clients of Russian interest. The financial affect relates mainly to the budgetary figures of 2022 and all necessary adjustments have been made.

Management will continue to monitor the situation closely and assess/seek additional measures/committed facilities as a fall back plan in case the period of disruption becomes prolonged.

35. Related party transactions

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

The transactions and balances with related parties are as follows:

35. Related party transactions (continued)

(i) Directors' remuneration

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

	2022 €	2021 €
Non-Executive Directors' remuneration	60.000	60.000
Executive Directors and their related parties' remuneration	567.933	577.688
Directors' insurance costs	7.857	7.006
	635.790	644.694

(ii) Revenue and other income

	Nature of transactions	2022 €	2021 €
NETinfo Limited UK	Software Development	62.525	89.970
NetinfoPay Limited	Support services	62.880	15.720
		125.405	105.690

(iii) Receivables from group companies (Note 24)

Name	Nature of transactions	2022 €	2021 €
NETteller Solutions S.A.	Finance	233.537	233.537
NETteller Solutions S.A.	Provision for Bad Debts	(215.705)	(215.705)
NETtinfo UK Ltd (*)	Trade	73.063	-
NetinfoPay Limited (*)	Trade	18.707	-
		109.602	17.832

The receivables from own subsidiaries are interest free, and have no specified repayment date.

(*) The amounts are included in trade and other receivables (Note 24).

(iv) Payables to group companies (Note 31)

Name	Nature of transactions	2022 €	2021 €
NETinfo Services Limited	Finance	139.088	142.268
NETinfo Pay Limited	Trade	31.297	31.297
NETtinfo UK Ltd	Trade	14.056	17.803
		184.441	191.368

The payables to own subsidiaries are interest free, and have no specified repayment date.

NETINFO PLC

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35. Related party transactions (continued)

(v) Directors' current accounts balances (Note 24)and (Note 31)

	2022 €	2021 €
Orlando Castellanos	(123)	(123)
Polycarpos Hadjikyriacos	443	283
	320	160

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

36. 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 2022 and 19 April 2023 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	31 December 2022 %	19 April 2023 %
Orlando Castellanos	2	2
Polycarpos Hadjikyriacos	13	13
Vassos Aristodemou	30	30

37. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 31 December 2022 and 19 April 2023 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	31 December 2022 %	19 April 2023 %
Demetrios Stylianou	6	6
CYGNATOR FUND RAIF V.C.I.C. LTD	6	6
Demetra Investment Ltd	6	6
Polycarpos Hadjikyriacos	13	13
Vassos Aristodemou	30	30
Sublevo Limited	7	7

38. Financial instruments - fair values and risk management

Financial risk factors

The Company 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 Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company'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 Company 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:

	2022 €	2021 €
Other receivables	75.018	27.270
Trade receivables	1.465.085	731.154
Contract Assets	404.428	529.616
Receivables from related companies	17.832	17.832
Cash at Bank	6.874	633.092
	1.969.237	1.938.964

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

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

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

	2022 €	2021 €
Impairment charge - investments in subsidiaries	(106.000)	(105.000)
Impairment charge - receivables to related parties	-	(50.500)
Impairment charge - trade receivables	(26.454)	-
Reversal of impairment - contract assets	-	70.859
Reversal of impairment - trade receivables	-	40.000
	(132.454)	(44.641)

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 Company's standard payment and delivery terms and conditions are offered. The Company'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 2022

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

The Company 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.

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

(i) *Credit risk* (continued)

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 2022.

	Weighted-average loss rate	Gross carrying amount €	Loss allowance €	Net Carrying amount €	Credit-impaired
Current (not past due)	0,10 %	757.509	-	757.509	No
1-30 days past due	0,50 %	177.582	813	176.769	No
31-60 days past due	0,70 %	57.405	398	57.007	No
61-90 days past due	1,10 %	127.705	1.426	126.279	No
91-120 days past due	1,50 %	15.497	231	15.266	Yes
121-150 days past due	1,70 %	58.126	998	57.128	Yes
150-180 days past due	1,90 %	15.098	283	14.815	Yes
181-210 days past due	2,40 %	34.220	824	33.396	Yes
211-230 days past due	2,70 %	17.660	484	17.176	Yes
240-270 days past due	2,90 %	2.669	76	2.593	Yes
270-300 days past due	3,00 %	12.439	377	12.062	Yes
300-330 days past due	5,60 %	152.358	16.094	136.264	Yes
More than 365 days past due	57.70 %	36.818	36.818	-	Yes
Total	100,00 %	1.465.086	58.822	1.406.264	

Movements in the allowance for impairment in respect of trade receivables and contract assets

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

	2022 €	2021 €
Balance at 1 January	194.441	305.300
Reversal of Impairment recognised on receivables and contract assets	-	(110.859)
Impairment losses charge recognized on P/L	26.451	-
Amounts written off	(144.879)	-
Balance at 31 December	76.013	194.441

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

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

Cash and cash equivalents

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

Bank group based on credit ratings by Moody's.	No of banks	2022 €	2021 €
B3	1	-	16.306
Caa1	2	-	616.785
Ba2	2	6.874	-
	5	6.874	633.091

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 Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

The Company 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 Company 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 Company'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 Company can be required to pay. The table includes both interest and principal cash flows.

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	1.466.481	1.466.481	1.466.481	-	-	-
Payables to related parties	184.564	184.564	184.564	-	-	-
	5.408.362	5.734.584	2.976.460	331.513	1.981.126	445.485

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

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

31 December 2021	Carrying amounts €	Contractual cash flows €	3 months or less €	Between 3-12 months €	Between 1-5 years €	More than 5 years €
Bank loans	2.871.175	3.251.337	110.079	331.360	2.043.497	766.401
Bank overdrafts	1.068.906	1.068.906	1.068.906	-	-	-
Trade and other payables	1.124.986	1.124.986	1.124.986	-	-	-
Payables to related parties	191.491	191.491	191.491	-	-	-
	5.256.558	5.636.720	2.495.462	331.360	2.043.497	766.401

(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 Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company 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:

	2022 €	2021 €
Variable rate instruments		
Financial assets	6.874	633.091
Financial liabilities	(3.757.317)	(3.940.081)
	(3.750.443)	(3.306.990)

38. 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 2022				
Variable rate instruments	37.504	(37.504)	37.504	(37.504)
31 December 2021				
Variable rate instruments	33.070	(33.070)	33.070	(33.070)

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 Company's functional currency. The Company 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 Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

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

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

31 December 2021	United States Dollars €
Assets	280.122
Net exposure	280.122

38. 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 2022 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	
	2022	2021	2022	2021
	€	€	€	€
United States Dollars	3.591	2.801	3.591	2.801
	3.591	2.801	3.591	2.801

(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 Company.

Capital management

The Company 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 Company's overall strategy remains unchanged from last year.

39. Fair values

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

40. Events after the reporting period

Significant events that occurred in the operating environment of the Company after the end of the reporting period are described in note 34 to the financial statements.

On 26 April 2023 the Board of Directors of NETinfo Plc approved and authorised these financial statements for issue.