



MYPOS WORLD LTD & SUBSIDIARIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

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COMPANY INFORMATION

Directors: M R Destraz (Resigned on 23 September 2021)
C Georgiev (Resigned on 10 August 2021)
I Rasmally (Resigned on 10 August 2021)
T Gunzinger
J Beaubois
M Kochnev (Appointed on 10 August 2021)

Company number: 10630817

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

Auditor: Moore Kingston Smith LLP
6th Floor
9 Appold Street
London
EC2A 2AP



STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report and financial statements for myPOS World Ltd and its subsidiaries (together, the "Group") for the year ended 31 December 2021.

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

Review of the business

During the year, to fuel growth, the Group continued to invest in improving the myPOS product in existing markets and in entering new markets across Europe. In addition to robust financial performance, the myPOS management team remained committed to advancing its technologies and expanding the myPOS product offering, thereby strengthening customer engagement whilst growing and diversifying the business into new markets, industries and geographies. During the year myPOS Group finalized a number of successful projects and launched the myPOS Online service allowing merchants to create their own online shop quickly and easily in order to help them run and grow their business on the myPOS platform. myPOS also introduced the myPOS Carbon and myPOS Slim devices to its product range and pursued its strategy of expanding its own sales force in key markets across Europe.

During the year the Group invested heavily in the electronic money software, to ensure that it is well-placed to benefit from the underlying growth in the international online payments market and is able to meet the changing demands of both existing and prospective clientele. In 2021, the Group successfully transferred part of its technology infrastructure to a top tier cloud service provider, making its platform more secure, resilient and scalable. Furthermore, the Group obtained a direct membership with major Card Schemes to enable further acceleration of the growth in key markets. Long-term myPOS management team objective remains the same – being the number one choice for small European merchants who want to accept card payments.

On 30 July 2021, myPOS World Ltd incorporated myPOS Limited, a company registered in Dublin, Ireland, as a wholly-owned subsidiary. On 31 August 2021, the company incorporated myPOS Technologies LLC, registered in Delaware, USA, as a wholly-owned subsidiary of myPOS Technologies AD. On 30 November 2021 myPOS World Ltd acquired the remaining 50% stake in myPOS Portugal - Payment Technologies LDA, a company registered in Lisbon, Portugal, through its wholly-owned subsidiary myPOS Partners Ltd.

Section 172 Companies Act 2006

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

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

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

- Customers – Learning from how our customers use our services is key to developing the quality and range of our products and services and enhancing their experience. We designed the myPOS products and services from the ground up, working backwards from the needs of our customers. We monitor their feedback using metrics such as net promoter score ("NPS") and customer satisfaction reviews and we analyse in detail how customers use our product so that we can prioritise what they value most and make our products, marketing and communications relevant and valuable to them. Our mission and our focus is on delivering products that are faster, cheaper, more convenient, and more transparent for their benefit.



STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

- **Employees** – We strive to attract, retain and develop talented people throughout our business and to promote a diverse and inclusive culture. We recognise that employees who have our values are crucial to our success and growth as an organisation and we work hard to develop our colleagues' skills and talents and to improve their experience in the workplace. The group has invested in internally developed training tools which provide fundamental knowledge of the business to every new employee. During 2021, myPOS initiated a Leadership Development Program to boost competence, performance and align goals amongst top and mid-tier management. The Board communicates regularly with employees and encourages and responds to feedback. There are bi-weekly Heads of Departments meetings where operational matters and updates are discussed and cascaded through the business. Further news are included in our monthly newsletter.
- **Partners and suppliers** – We collaborate with some of the most innovative companies in the fintech industry to protect our customers and develop the pioneering products that they love. We endeavour to deal with all suppliers as valued partners.
- **Shareholders** – The Board understands that it is accountable to shareholders and is committed to open engagement with them. We value the trust, confidence and views of our shareholders. We provide regular updates on financial performance, strategy, culture and business developments. Our shareholders are important partners and offer guidance to myPOS on a range of matters.
- **Community and the environment** – We are committed to making an active contribution to the communities we live in and the environment. We support local universities in Bulgaria by having members of myPOS management team participate as guest lecture speakers, student mentors or competition judges. We provide input into the development and conduct of tech courses.
- **Regulators** – We place a high value on compliance with all relevant regulations and require the highest levels of integrity and ethical behavior. myPOS complies with multiple industry standards to information security and is PCI-DSS certified. As at 31 December 2021, Group eligible capital of the FCA authorized EMI subsidiary of the Group (myPOS Europe Ltd) was above the minimum requirements set by the regulator. The Financial Institution maintains regular communication and good relationship with the UK regulator.

Principal risks and uncertainties

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

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

The directors manage these risks and have a reasonable expectation that the Group maintains adequate resources to minimise the negative impact on its financials. A more detailed explanation of the risks to which the Group is exposed and its strategy for managing these risks, is included in note 23 to the financial statements.

Key performance indicators

Since January 2020, the COVID-19 epidemic has spread to many regions around the world and disrupted business and economic activities in many sectors.

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

Key performance indicators of the Group continue to strengthen. Group's revenue grew to € 43,329 (2020: € 34,847) thousand and profit after tax for the year increased to € 5,930 (2020: € 840) thousand.



STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

The improved profit margins underline the successful business model of the Group and strengthen the capital structure as the net assets also increased to € 10,965 (2020: € 5,052) thousand as at the year end.

In this difficult economic environment, myPOS was fast to respond, and adjusted the cost base according to the new paradigm, which allowed myPOS to deliver positive leverage with operating profit up by 282%.

myPOS remained highly cash generative. myPOS generated EUR 20.2 million of operating cash flow and closed the year having reduced its debt position from EUR 2.5 million to almost nil.

myPOS has enjoyed an excellent start of 2022 benefiting from the European economy re-opening and thus the business has seen strong growth from existing customers while it continues to attract new merchants to the myPOS platform.

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

On behalf of the Board

A handwritten signature in black ink, appearing to read "Maxim Kochnev".

Maxim Kochnev
Director

Date 19.08.2022



DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the Group for the year ended 31 December 2021.

Principal activities

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

Results and dividends

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

Going concern

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

Research and development

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

Employees

As of December 2021, the number of employees in the Group was 341 in offices located across Europe. The number of employees is expected to grow in line with market expansion and product development.

Directors

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

Michael R Destraz (Resigned on 23 September 2021)

Christo Georgiev (Resigned on 10 August 2021)

Thomas Gunzinger

Irfan Rasmally (Resigned on 10 August 2021)

Jean Beaubois

Maxim Kochnev (Appointed on 10 August 2021)

Supplier payment policy

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

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

Financial instruments

Liquidity risk

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

Foreign currency risk

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

Credit risk

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

Cash flow risk

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

Post reporting date events

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

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

Future developments

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

Auditor

Moore Kingston Smith LLP were appointed as auditor to the company, in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with UK adopted International Accounting Standards. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

Energy and carbon statement

For the year ended 31 December 2021, the UK law requires the Group to report certain greenhouse gas emissions from UK operations under the SECR.

Total office electricity consumption for the UK entities of the Group between January 2021 and December 2021 was less than 40,000 kWh. There is no gas or fuel consumption at this site.

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

On behalf of the Board



Maxim Kochnev
Director

Date 19.08.2022



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYPOS WORLD LIMITED & SUBSIDIARIES

Opinion

We have audited the financial statements of myPOS World Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Parent Company Statement of Financial Position, the Parent Company Statement of Changes in Equity, the Parent Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MYPOS WORLD LIMITED & SUBSIDIARIES (CONTINUED)**

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MYPOS WORLD LIMITED & SUBSIDIARIES (CONTINUED)**

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism 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 purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent 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 auditor's 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 auditor's report. However, future events or conditions may cause the group or the parent 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 fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK adopted International Accounting Standards and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MYPOS WORLD LIMITED & SUBSIDIARIES (CONTINUED)**

- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

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

A handwritten signature in black ink that reads "MOORE Kingston Smith LLP".

Thomas Moore (Senior Statutory Auditor)
For and on behalf of Moore Kingston Smith LLP, Statutory Auditor
London, UK

Date 24 August 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**
All amounts are presented in Euro (000) unless otherwise stated.

	Notes	2021	2020
Revenue	2	43,329	34,847
Cost of sales	3	(13,644)	(16,251)
Gross profit		29,685	18,596
Other income	2	1,087	539
General and administrative expenses	4	(19,102)	(12,593)
Depreciation and amortization costs	12, 13, 14, 16	(2,566)	(3,241)
Impairment and other charges	5	(1,530)	(1,316)
Operating profit		7,574	1,985
Finance income	6	23	9
Finance costs	7	(928)	(637)
Profit before tax		6,669	1,357
Corporation tax expense	8	(739)	(517)
Consolidated net profit		5,930	840
Other comprehensive income		(67)	7
Total comprehensive income		5,863	847
Total comprehensive income for the period is attributable to:			
Owners of the parent		5,913	961
Non-controlling interest		(50)	(114)
Total comprehensive income		5,863	847

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

The financial statements were approved by the board of directors and authorized for issue on 06.08.2022 and are signed on its behalf by:



Maxim Kochnev
Director

Company Registration No. 10630817

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**
All amounts are presented in Euro (000) unless otherwise stated.

	Notes	2021	2020 as restated
ASSETS			
Non-current assets			
Intangible assets	12	4,909	3,916
Right-of-use assets	16	1,704	1,684
Property, plant and equipment	13	1,380	1,314
Incremental costs of obtaining a contract	14	-	1,015
Deferred tax assets	8	394	350
Goodwill	12	220	302
Other non-current assets	15	1,476	187
Total non-current assets		10,083	8,768
Current assets			
Cash and cash equivalents	11	32,658	18,882
Trade and other receivables	10	4,581	6,254
Inventory	9	3,567	2,178
Total current assets		40,806	27,314
TOTAL ASSETS		50,889	36,082
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	17	8,707	9,819
Payables to merchants		30,198	17,663
Loans received	17	2	2,544
Income tax payable	8	58	177
Total current liabilities		38,965	30,203
Non-current liabilities			
Non-current trade payables	18	959	827
Total non-current liabilities		959	827
Equity			
Called up share capital	20	1,140	1,140
Retained earnings	21	10,098	4,143
Other reserves		(59)	8
Equity attributable to the shareholders of the parent		11,179	5,291
Non-controlling interest		(214)	(239)
Total equity		10,965	5,052
TOTAL EQUITY AND LIABILITIES		50,889	36,082

myPOS World Ltd & Subsidiaries



CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 (CONTINUED)

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

The financial statements were approved by the board of directors and authorized for issue on 06.08.2021 and are signed on its behalf by:

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

Maxim Kochnev
Director

Company Registration No. 10630817

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**
All amounts are presented in Euro (000) unless otherwise stated.

	Notes	2021	2020
ASSETS			
Current Assets			
Trade and other receivables	10	52	144
Cash and cash equivalents	11	-	1
Total current assets		52	145
Non-current Assets			
Loans granted	15	13,792	9,985
Long-term Investments	19	3,389	2,389
Intangible assets		-	3
Property, plant and equipment		-	3
Total non-current assets		17,181	12,380
TOTAL ASSETS		17,233	12,525
EQUITY AND LIABILITIES			
Current liabilities			
Loans received	17	6,171	2,227
Trade and other payables	17	154	244
Total current liabilities		6,325	2,471
Non-current liabilities			
Non-current trade payables	18	-	3,871
Total non-current liabilities		-	3,871
Equity			
Called up share capital	20	1,140	1,140
Retained earnings		9,768	5,043
Total equity		10,908	6,183
TOTAL EQUITY AND LIABILITIES		17,233	12,525

The parent company has taken advantage of section 408 of the Companies Act 2006 not to present its own statement of comprehensive income. The parent company's result for the year was a net profit of € 4,725 thousand (2020: € 3,182 thousand).

The financial statements were approved by the board of directors and authorized for issue on 06.08.2022 and are signed on its behalf by:



Maxim Koehnnev
Director

Company Registration No. 10630817

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021**

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

GROUP	Called-up share capital	Other Reserves	Retained earnings	Equity attributable to the shareholders of the parent	Non-controlling interest	Total equity
Balance at 1 January 2020	1,140	1	3,189	4,330	(76)	4,254
Period ended on 31 December 2020						
Profit/Loss and Total comprehensive income	-	7	954	961	(114)	847
Acquisition of subsidiaries	-	-	-	-	(49)	(49)
Balance at 31 December 2020	1,140	8	4,143	5,291	(239)	5,052
Balance at 1 January 2021	1,140	8	4,143	5,291	(239)	5,052
Period ended on 31 December 2021						
Profit/Loss and Total comprehensive income	-	(42)	5,955	5,913	(50)	5,863
Acquisition of subsidiaries	-	(25)	-	(25)	75	50
Balance at 31 December 2021	1,140	(59)	10,098	11,179	(214)	10,965
COMPANY	Called-up share capital		Retained earnings	Equity attributable to the shareholders of the parent		Total equity
Balance at 1 January 2020	1,140		1,861	3,001		3,001
Period ended on 31 December 2020						
Profit/Loss and Total comprehensive income	-		3,182	3,182		3,182
Acquisition of subsidiaries	-		-	-		-
Balance at 31 December 2020	1,140		5,043	6,183		6,183
Period ended on 31 December 2021						
Profit/Loss and Total comprehensive income	-		4,725	4,725		4,725
Acquisition of subsidiaries	-		-	-		-
Balance at 31 December 2021	1,140		9,768	10,908		10,908

Company Registration No. 10630817

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**
All amounts are presented in Euro (000) unless otherwise stated.

GROUP	2021	2020 as restated
Operating activities		
Profit before tax	6,669	1,357
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	2,566	3,241
Foreign currency adjustments	(17)	7
Non-controlling interest	-	(49)
Impairment charges	1,530	1,316
Other non-cash adjustments	11	-
Interest income	(23)	(10)
Interest expenses	85	110
Increase in inventory	(1,354)	335
Decrease in trade and other receivables	1,551	15,555
Increase in trade and other payables	11,556	(46,710)
Tax paid	(902)	(759)
Net cash flows generated from operating activities	21,672	(25,607)
Cash flows from investing activities		
Payments for non-current assets	(2,549)	(2,254)
Acquisition of subsidiaries (net of cash acquired)	(1)	(118)
Loans granted	(1,537)	(275)
Loans repaid	19	593
Interest received on loans granted	2	1
Net cash flow used in investing activities	(4,066)	(2,053)
Cash flows from financing activities		
Lease liability payments	(1,078)	(995)
Loans received	(15)	-
Loans repaid	(2,729)	(830)
Interest paid on loans received	(38)	(30)
Net cash flow used in financing activities	(3,830)	(1,855)
Net increase in cash and cash equivalents	13,776	(29,515)
Net foreign exchange difference	-	2
Cash and cash equivalents at beginning of year	18,882	48,395
Cash and cash equivalents at end of year	32,658	18,882

Company Registration No. 10630817


**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**
All amounts are presented in Euro (000) unless otherwise stated.

COMPANY	2021	2020 as restated
Operating activities		
Profit before tax	4,725	3,182
Correction of non-monetary items		
Investment Income	(5,363)	(4,586)
Finance costs	151	172
Impairment charges	232	392
Depreciation and amortization costs	3	4
Decrease in trade and other receivables	92	2,242
Decrease in trade and other payables	(91)	(2,971)
Net cash flows used in operating activities	(251)	(1,565)
Cash flows from Investing activities		
Dividends received	-	4,328
Loans granted	(4,513)	(7,271)
Receipts arising from loans made	695	617
Interest received on loans granted to related parties	265	212
Payments for non-current assets	(1,000)	-
Net cash used in investing activities	(4,553)	(2,114)
Financing activities		
Loans received	8,237	10,551
Loans repaid	(3,290)	(6,699)
Interest paid on loans received	(144)	(172)
Net cash generated from financing activities	4,803	3,680
Net decrease in cash and cash equivalents	(1)	1
Cash and cash equivalents at beginning of year	1	-
Cash and cash equivalents at end of year	-	1

Company Registration No. 10630817



myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

1. Accounting policies and general information

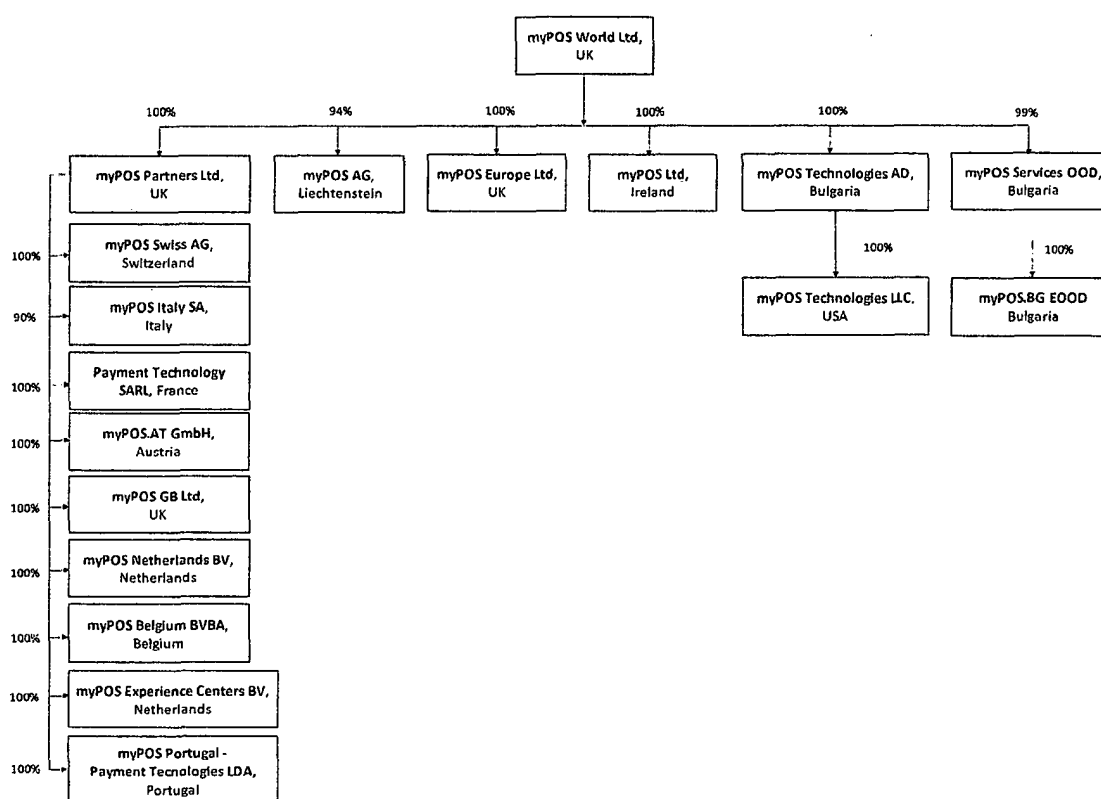
Company and Group information

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

myPOS Group comprises of 18 registered companies as at 31 December 2021. myPOS Group principal business activity is issuing electronic money (e-money) and providing payment services. The Group is organized to facilitate single end-to-end process. For the attainment of this objective and to reduce the operational risk, each company within the group has a clearly defined objective, covering card payment services, proprietary software infrastructure, support and POS terminal delivery and distribution.

The financial year of the Group ends on 31 December.

Details of the company's subsidiaries at 31 December 2021 are as follows:



1.1 Accounting convention

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

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

The financial statements are prepared in Euro, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand Euro (000) unless otherwise stated. The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

1.2 Basis for the preparation of the consolidated financial statements

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

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

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

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

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

1.3 Going concern

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

The financial statements are prepared under the going concern principle and the possible effects of the continuing impact of the Covid-19 coronavirus pandemic have been taken into account.

The pandemic has led to significant volatility in the financial and commodity markets in Europe and worldwide. Various governments have announced measures to provide both financial and non-financial support to the affected sectors and business organizations.

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

1.4 Changes in accounting policies

The Group has adopted the following new standards, amendments and interpretations to IFRS, issued by the International Accounting Standards Board (IASB) which are mandatory for application from the annual period beginning on 1 January 2021:

- Reform of interest rate benchmarks – Phase 2 – IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments).

New standards and amendments issued but not yet effective for years ending 31 December 2021

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective. New standards and interpretations currently in issue but not effective for accounting periods commencing on 1 January 2021 are:

- Amendments to IFRS 16 - Covid-19-Related Rent Concessions
- Amendment to IFRS 16 – Covid-19-Related Rent Concessions beyond 30 June 2021
- Amendments to IAS 37 - Onerous Contracts – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before intended use
- Amendments to IFRS 3 - Reference to the Conceptual Framework
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- IFRS 17 - Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 8 – Definition of an accounting estimate

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

- Amendments to IAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transactions
- Amendments to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and its associate or joint venture

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

1.5 Presentation of financial statements

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

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

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

1.6 Business combinations and goodwill

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

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

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

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

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

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

Acquired goodwill, if material is capitalized and written off in equal annual instalments over its estimated useful economic life. In accordance with IFRS 3 any negative goodwill is recognised in the profit or loss on the acquisition date. Goodwill is amortised over 5 years on a straight-line basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

External sources of information:

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

Internal sources of information:

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

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

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

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

Impairment tests

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

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

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

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

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

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

As of 31 December 2021, goodwill relates to the acquisitions of Payment Technology Sarl, myPOS Belgium BV and myPOS Portugal.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

The recoverable amounts for each CGU have been determined based on a value in use calculation using the discounted cash flow method (DCF). On the basis of impairment tests carried at year end, no loss of value has been identified as at 31 December 2021.

Key assumptions

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

- The value in use has been determined based on the financial projections, approved by the management.
- Discount rate used in the calculation (LIBOR + 35%) reflects Management's view on the risk level of the industry in which myPOS operates, as well as the growth stage of the business.

1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.8 Foreign currency translation

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

Assets and liabilities for each balance sheet of a group company presented are translated at the closing rate at the date of that balance sheet. Income and expenses for each statement of comprehensive income of a group company as well as the cash flow statements are translated at average exchange rates. All resulting exchange differences are recognised as a separate component of comprehensive income under other reserves.

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

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

1.9 Revenue

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

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

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

The Group recognises as contract liabilities consideration received in respect of unsatisfied performance obligations and presents them as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before receiving the consideration, it recognises in the statement of financial position either a contract or a receivable, depending on whether any additional requirements are present other than a specified time to receive the consideration.

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

Evaluation

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

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

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

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

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

Obligations to perform under contracts with clients

The Group recognizes as contractual liabilities the consideration received for outstanding performance obligations and presents them as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before receiving the consideration, it recognizes in the statement of financial position either an asset under the contract or a receivable, depending on whether anything other than a specified time is required to receive the consideration.

Principal versus agent considerations

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

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

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



myPOS World Ltd & Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

In 2021 due to a change in the applicable legislation in Bulgaria, myPOS Technologies AD was no longer able to serve myPOS clients directly. In order to ensure business continuity, myPOS Group has negotiated new terms of service with a high-tech payments service provider in Europe. Following this change and IFRS 15 guidance, the revenue in the 2022 accounts is presented net of all direct costs.

Disaggregation of revenue

IFRS15(114), (B87) - (B89)

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

Categories that could be used as basis for disaggregation include:

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

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

1.10 Interest income

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

1.11 Operating expenses

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

1.12 Interest and borrowing costs

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

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

1.13 Incremental costs of obtaining a contract

IFRS 15 "Revenue from Contracts with Customers" and related interpretations to IFRS 15 "Revenue from Contracts with Customers" (hereafter referred to as IFRS 15). The new standard is adopted in the financial year beginning on 1 January 2018 and has no effect on prior periods. The application of IFRS 15 mainly affects contract costs as they are assessed for possible capitalisation using the specific criteria included in the Standard. If these costs are capitalized the related asset is subsequently amortised on a straight-line basis over the estimated benefit period that includes both the existing contract as well as the reasonably expected renewals based on the Group's historical experience with similar arrangements.

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

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



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

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

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

1.14 Intangible assets

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

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

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

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

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

Software 8 years on declining balance method

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

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

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

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

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

1.15 Right-of-use-assets

IFRS 16 "Leases" eliminates the distinction between operating and finance leases for lessees and introduces the right-of-use asset model. The new standard was applied to the establishment of the Group in 2019 and has no effect for previous periods. The application of IFRS 16 mainly affects rental costs, which are assessed for possible capitalization using the specific criteria included in the standard. If capitalized, the resulting asset is subsequently depreciated on a straight-line basis over the shorter of the useful life and the lease term.

The Group recognizes as an asset the future costs under lease agreements if the contract period, as of 1 January 2019, exceeds 12 months. In all other cases, rental costs are recognized as an expense when incurred. An interest rate of 3% for leased office space was used to measure lease liabilities at the date of transition to IFRS 16.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

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

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

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

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

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

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

Reduction of leases

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

1.16 Property, plant and equipment

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

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

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

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

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

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

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

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

As at 31 December 2021 management determines the useful life of the assets which represents the expected term of use of the assets by the Group.

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

1.17 Non-current investments

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

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

1.18 Financial instruments

1.18.1 Recognition and derecognition

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

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

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

1.18.2 Classification and initial measurement of financial assets

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

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

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

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

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

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

1.18.3 Subsequent measurement of financial assets

Financial assets at amortised cost

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



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

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

Cash and cash equivalents

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

Trade and other receivables, Card operations receivables

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

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

1.18.4 Impairment of financial assets

The impairment requirements under IFRS 9 use more forward-looking information to recognise the expected credit losses - the "expected credit loss" model that replaces the "incurred loss model" presented in IAS 39.

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

Recognition of credit losses is no longer dependent on the occurrence of a credit loss event. Instead, the Group considers a wider range of information in assessing credit risk and assessing expected credit losses, including past events, current conditions, reasonable and supportive forecasts that affect the expected collection rate of the instrument's future cash flows.

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

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

None of the Group's financial assets fall into this category.

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

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

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

Trade and other receivables, Card operations receivables

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

After applying the “expected credit losses” model with regards to the Group’s trade and other receivables, values below the materiality threshold for 2021 are reported.

1.18.5 Classification and measurement of financial liabilities

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

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

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

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

Trade and other payables, Card operations payables

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.19 Income taxes

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

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

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

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

Deferred tax liabilities are always provided for in full.



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

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

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

1.20 Inventories

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

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

The Company determines the cost of inventories by using the weighted average cost method. When inventories are sold, the carrying amount of those inventories is expensed in the period in which the related revenue is recognised.

1.21 Equity, reserves and dividends payments

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

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

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

Other reserves include removal of NCI of myPOS Portugal- Payment Technologies LDA for the amount of EUR 49 thousand and revaluations.

1.22 Pension benefits and short-term employee benefits

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

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

Defined benefit plans are retirement plans that determine the amount the employee will receive after retirement in relation to the duration of the service and the last remuneration. Legal obligations for the payment of the defined benefits remain liability of the Group, even if the assets plan does not cover the defined benefit plan. The assets plan may comprise assets specifically intended for the financing of long-term liabilities under defined benefit plans, as well as certain insurance policies.

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation at the end of the reporting date, less the fair value of the plan assets.

Net interest expense related to pension obligations is included in the statement of profit or loss and other comprehensive income within "Finance costs". Service costs are included within "Employee benefits expense".

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

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

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

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

1.23 Provisions, contingent liabilities and contingent assets

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

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

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

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

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

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

1.24 Judgements and key sources of estimation uncertainty

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

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

1.24.1 Revenue

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

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

1.24.2 Recognition of expected income from commission contracts

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

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

1.24.3 Incremental costs of obtaining a contract

By March 2021, the Group had incurred costs in the amount of EUR 2,101 thousand in respect of commissions related to long-term contracts with customers. The costs are directly related to the contract, generate resources that will be used to perform the contract and are expected to be reimbursed. They were therefore recognized as an asset of incremental costs of obtaining a contract. The asset is depreciated on a straight-line basis over the expected life of the contracts to which it relates, in accordance with the recognition model of related income. Due to the termination of contracts with customers for these services as of 1 April 2021, Management does not expect the capitalized costs to be reimbursed. As a result, in 2021 a loss was recognized from the write-off of the carrying amount of the incremental costs for obtaining a contract in the amount of EUR 990 thousand.

1.24.4 Internally generated intangible assets and research expenditure

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

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

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

On 1 January 2021, Management reassessed the useful life of the myPOS Platform and extended it by three additional years until 1 April 2026, on the basis of the constant upgrades and developments being made to the software and the performed net present value analysis which indicated an estimated fair value of more than 10 times the carrying amount. Had the accounting policy not been changed, the amortization charge for 2021 would have been EUR 2,231 thousand (2022: EUR 3,112 thousand; 2023: EUR 914 thousand) compared to the actual amortization charge in the year of EUR 997 thousand.

1.24.5 Deferred tax assets

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

1.24.6 Term of lease agreements

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

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

1.24.7 Useful life of depreciable assets

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

As at 31 December 2021 management determines the useful life of the assets which represents the expected term of use of the assets by the Group.

1.24.8 Bad debt provision

The company makes an estimate of the recoverable value of amounts owed by group undertakings. When assessing impairment of amounts owed by group undertakings, management consider historic repayments made against each debtor balance, with the policy detailed below.



Bad Debt Provision Policy:

- 10% provision if no repayment by the end of the first year of trading
- 30% provision if no repayment by the end of the second year of trading
- 50% provision if no repayment by the end of the third year of trading
- 70% provision if no repayment by the end of the fourth year of trading
- 100% provision if no repayment by the end of the fifth year of trading

1.24.9 Impairment of investments

The company assesses any potential impairment of investments by considering historic repayments made against each debtor balance with the respective entity, with the policy detailed below. The policy adopted is materially consistent with that of FRS 102 Section 27.

Investment Impairment Policy:

- 10% impairment if no repayment by the end of the first year of trading
- 30% impairment if no repayment by the end of the second year of trading
- 50% impairment if no repayment by the end of the third year of trading
- 70% impairment if no repayment by the end of the fourth year of trading
- 100% impairment if no repayment by the end of the fifth year of trading

1.25 Client E-Money

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

As at 31 December 2021 the liability toward the e-money clients under Payment Services Regulations 2017 and the Electronic Money Regulations 2011 amounted to € 30,208 (2020: € 17,703) thousand and the associated funds were held in segregated bank accounts.

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2. Revenue

	2021	2020
Revenue analysed by class of business		
Revenue from commissions	37,788	30,667
Revenue from sales of goods	4,957	4,079
Revenue from sales of services	584	101
Total	43,329	34,847
Revenue by geographical market		
Europe	43,329	34,847
Rest of the World	-	-
Total	43,329	34,847

The total revenue of the Group represents revenues earned from the provision of electronic money, providing payment services and sale of card terminals. Rest of the world is classified as income generated from countries, which geographically are out of Europe, but are members of European Economic Area.

	2021	2020
Other income		
Other financial charges	891	277
Income from delivery services	196	153
Group profit on disposal of subsidiary	-	109
Total	1,087	539

	2021	2020
Deferred Revenue		
Brought forward	980	400
Movement	(2)	581
Carried forward	978	981

	2021	2020
Accrued Revenue		
Brought forward	181	-
Movement	161	181
Carried forward	342	181

3. Cost of sales

	2021	2020
Commission cost	(7,749)	(12,044)
Cost of goods sold	(5,592)	(3,815)
Bank charges	(279)	(388)
Professional services	(24)	(4)
Total	(13,644)	(16,251)

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4. General and administrative costs

	2021	2020
Remuneration costs	(10,273)	(6,323)
Professional services	(4,860)	(2,713)
Communication costs	(843)	(766)
Rent & premises expenses	(702)	(714)
Other administrative costs	(790)	(667)
Audit & accountancy fees	(436)	(637)
Delivery costs	(482)	(354)
Travel & entertainment	(363)	(188)
Office supplies	(247)	(82)
Social security costs	(3)	(75)
FX Gains and Losses	(49)	(11)
Bank and transaction fees	(54)	(63)
Total	(19,102)	(12,593)

Charge to profit or loss in respect of defined contribution schemes amounts to EUR 24 thousand (2020: EUR 73 thousand).

	2021	2020
Directors' remuneration costs	(722)	(695)
Directors' pension contributions	(7)	(7)
Total	(729)	(702)

Company's highest paid Director's remuneration in 2021 is amounting to EUR 23 thousand (2020: EUR 16 thousand)

Group's highest paid Director's remuneration in 2021 is amounting to EUR 359 thousand (2020: EUR 450 thousand).

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

	2021	2020
GROUP		
Management	15	16
Administration	285	204
Total	300	220
COMPANY		
Management	1	1
Total	1	1

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

	2021	2020
Audit of parent and the Group	(111)	(40)
Non-audit services to parent and the Group	(2)	(3)
Audit of subsidiary undertaking	(76)	(41)
Non-audit services to subsidiary undertakings	(6)	(3)
Total	(195)	(87)

5. Impairment and other charges

	2021	2020
Incremental costs of obtaining a contract	(990)	-
Loans provided	(454)	(384)
Trade receivables	(9)	(357)
Card operations receivables	(112)	(352)
Stock	35	(223)
Total	(1,530)	(1,316)

6. Finance income

	2021	2020
Interest Income	23	9
Total	23	9

7. Finance costs

	2021	2020
Interest payable	(843)	(527)
Interest expenses on leased assets	(47)	(63)
Interest expenses	(38)	(47)
Total	(928)	(637)

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8. Income taxes

	2021	2020
Profit before tax:	6,669	1,357
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2020: 19% in UK):	(1,267)	(258)
Adjustments that result in a change in the effective tax rate:	484	(405)
Current income tax expenses	(783)	(663)
Deferred tax due to temporary differences	44	146
Tax income (expense)	(739)	(517)
Deferred tax assets		
Impairment	222	177
Income tax loss	118	119
Accruals for unused paid leave	33	27
Low capitalization	1	17
Others	14	7
Personnel income upon retirement	6	3
Deferred tax assets, total	394	350

9. Inventory

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

	2021	2020
Stock	3,420	2,751
<i>Impairment of stock</i>	<i>(538)</i>	<i>(573)</i>
Stock, net	2,882	2,178
Stock in transit	685	-
Total	3,567	2,178

10. Trade and other receivables and loans granted

GROUP	2021	2020 as restated
Receivables from acquirers, net	2,000	5,110
Other debtors	976	473
Trade receivables	954	323
Prepayments	422	270
VAT receivables	229	76
Related party receivables	-	2
Total	4,581	6,254

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GROUP	2021	2020 as restated
Receivables from acquirers	1,236	1,124
<i>Impairment of card operations receivables</i>	<i>(1,236)</i>	<i>(1,124)</i>
Receivables from acquirers, net	-	-
COMPANY	2021	2020
Related party receivables	42	122
Prepayments	10	22
Total	52	144

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

All Group's trade receivables have been reviewed for occurrence of defaults and a simplified approach has been applied to determine the expected credit losses as at the end of the year. The analysis of the management shows that the effect of the expected credit losses is insignificant.

11. Cash and cash equivalents

GROUP	2021	2020 as restated
Bank and cash	4,271	2,403
Cash in Transit	-	367
Segregated Bank Accounts	28,387	16,112
Total	32,658	18,882
COMPANY	2021	2020
Bank and cash	-	1
Total	-	1

12. Intangible assets

GROUP	Goodwill	Software and other	Total
Cost as at 1 January 2020	280	4,517	4,797
Additions	167	2,241	2,408
Disposals	-	(509)	(509)
Exchange differences	-	-	-
Balance as at 31 December 2020	447	6,249	6,696
Accumulated amortization as at 1 January 2020	(35)	(1,029)	(1,064)
Amortization charge for the year	(110)	(1,326)	(1,436)
Disposals	-	22	22
Accumulated amortization as at 31 December 2020	(145)	(2,333)	(2,478)
Net Carrying amount as at 31 December 2020:	302	3,916	4,218

myPOS World Ltd & Subsidiaries



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Goodwill	Software and other	Total
Cost as at 1 January 2021	447	6,249	6,696
Additions	-	2,021	2,021
Disposals	-	-	-
Exchange differences	-	-	-
Balance as at 31 December 2021	447	8,270	8,717
Accumulated amortization as at 1 January 2021	(145)	(2,333)	(2,478)
Amortization charge for the year	(82)	(1,028)	(1,110)
Disposals	-	-	-
Accumulated amortization at 31 December 2021	(227)	(3,361)	(3,588)
Net Carrying amount as at 31 December 2021:	220	4,909	5,129

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

On 30 November 2021, the Group acquired the remaining 50% of myPOS Portugal – Payment Technologies LDA. The difference between the carrying value of the non-controlling interests and the fair value of the consideration paid (EUR 500) was recognized directly in equity (EUR 49 thousand).

As of the financial year end 2021, the Group has not recognized in its statement of financial position any work in progress related to software in stage of development (EUR nil for 2020).

The Company has no intangible assets at 31 December 2021 (2020: EUR 3 thousand).

13. Property, plant and equipment

GROUP	Fixtures and fittings	Computer equipment	Improvements of leased assets	Vehicles	Total
Cost as at 1 January 2020	1,004	510	521	14	2,049
Additions on acquisition	67	-	102	-	169
Additions	36	71	-	7	114
Disposals	(2)	(18)	-	-	(20)
Exchange differences	-	-	(5)	-	(5)
As at 31 December 2020	1,105	563	618	21	2,307
Accumulated depreciation and impairment as at 1 January 2020	(195)	(278)	(75)	(14)	(562)
Additions on acquisition	(14)	-	(11)	-	(25)
Depreciation charge for the year	(147)	(219)	(58)	-	(424)
Disposals	-	18	-	-	18
As at 31 December 2020	(356)	(479)	(144)	(14)	(993)
Net carrying amount as at 31 December 2020:	749	84	474	7	1,314

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Fixtures and fittings	Computer equipment	Improvements of leased assets	Vehicles	Total
Cost as at 1 January 2021	1,105	563	618	21	2,307
Additions on acquisition	-	-	-	-	-
Additions	145	294	-	-	439
Disposals	-	(8)	-	-	(8)
Exchange differences	-	-	-	-	-
As at 31 December 2021	1,250	849	618	21	2,738
Accumulated depreciation and impairment as at 1 January 2021	(356)	(479)	(144)	(14)	(993)
Additions on acquisition	-	-	-	-	-
Depreciation charge for the year	(191)	(148)	(30)	(1)	(370)
Disposals	-	5	-	-	5
As at 31 December 2021	(547)	(622)	(174)	(15)	(1,358)
Net carrying amount as at 31 December 2021:	703	227	444	6	1,380

Based on review for impairment indicators of property, plant and equipment, the Group's management has not established any indications that the carrying amount of the assets exceeds their recoverable amount. Additions on acquisition relates to the additions through acquisition of subsidiaries. The Company has no fixed assets at 31 December 2021 (2020: EUR 3 thousand).

The fully depreciated tangible fixed assets used in the Group's activity as of 31 December 2021 amount to EUR 418 thousand (2020: EUR 210 thousand).

14. Incremental costs of obtaining a contract

GROUP

Gross carrying amount	2020
As at 1 January 2020	1,305
Additions	402
As at 31 December 2020	1,707

Amortization and impairment

As at 1 January 2020	(295)
Amortization for the period	(397)
As at 31 December 2020	(692)

Net book value

As at 1 January 2020	1,010
As at 31 December 2020	1,015

Gross carrying amount	2021
As at 1 January 2021	1,707
Additions	394
Disposals	(2,101)
As at 31 December 2021	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

Amortization and impairment

As at 1 January 2021	(692)
Amortization for the period	(115)
Disposals	807
As at 31 December 2021	-

Net book value

As at 1 January 2021	1,015
As at 31 December 2021	-

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

The Company has no incremental costs of obtaining a contract at 31 December 2021 (2020: none).

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

15. Other non-current assets

GROUP	2021	2020
Loan receivables	1,476	187
	1,476	187

COMPANY	2021	2020
Loan receivables	13,792	9,985
	13,792	9,985

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

As of the end of financial year 2021, the Group has granted loans amounting to EUR 135 thousand to related parties (2020: EUR 133 thousand).

All Group's loans granted have been reviewed for occurrence of defaults and a simplified approach has been applied to determine the expected credit losses as at the end of the year. The analysis of the management shows that the effect of the expected credit losses is insignificant.

As of the end of financial 2021 year the Company has granted loans amounting to EUR 12,613 thousand to related parties (2020: EUR 9,985 thousand).

16. Right-of-use-assets

The Group has lease contracts for rental of office buildings for stores/head office for EUR 1,455 thousand, motor vehicles for EUR 237 thousand and equipment for EUR 12 thousand. Leases have remaining lease terms up to six years, some of which have the option to extend the lease term for an additional six years. The Group recognizes lease extension and termination options that Management is reasonably certain to exercise when determining the lease term used to establish our right-of-use assets and lease liabilities. As of 31 December 2021 and 2020 the Group is not aware of any unrecognized leases. The Group's lease agreements do not contain any residual value guarantees or restrictive covenants.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

	Buildings	Vehicles	Equipment	Total
Cost as at 1 January 2020	2,117	119	-	2,236
Additions	682	-	585	1,267
Disposals	(541)	(62)	-	(603)
As at 31 December 2020	2,258	57	585	2,900
Accumulated amortization and impairment as at 1 January 2020	(696)	(5)	-	(701)
Amortization charge for the year	(729)	(20)	(282)	(1,031)
Disposals	505	11	-	516
As at 31 December 2020	(920)	(14)	(282)	(1,216)
Net carrying amount as at 31 December 2020:	1,338	43	303	1,684

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

As of the financial year end 2021 the Group has recognized in its statement of financial position outstanding current lease liability of EUR 780 thousand (2020: EUR 921 thousand) and non-current lease liability of EUR 907 thousand (2020: EUR 796 thousand).

For the financial year ended December 2021 the Group has recognized in its statement of comprehensive income interest on lease contracts amounting to EUR 47 thousand (2020: EUR 63 thousand).

Cash outflow related to leased assets in 2021 amounts to EUR 1,125 thousand (2020: EUR 1,068).

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

17. Trade and other payables

GROUP	2021	2020 as restated
Payables to suppliers	3,652	1,740
Payables to acquirers	215	3,391
Other creditors	1,234	1,469
Deferred revenue	978	967
Payables to Leased Contracts	780	921
Salaries & Pension Contributions	1,338	735
Provisions	335	241
Short-term loans	32	194
VAT payables	143	153
Related party creditors	-	8
Total	8,707	9,819
Loans received	2	2,544
Related party loans received	-	-
Total	2	2,544
COMPANY	2021	2020
Related party creditors	3	147
Accruals	135	-
Payables to suppliers	-	76
Other creditors	13	20
VAT payables	3	1
Total	154	244
Loans received	2	2,227
Related party loans received	6,169	-
Total	6,171	2,227

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

Included with other creditors are amounts owed to clients and payment partners of EUR 30,023 thousand (2020: EUR 17,663 thousand) which relate to the company's e-money and payment services business. Cash at bank and in hand includes an associated amount of EUR 28,387 thousand (2020: EUR 14,174 thousand) which relates to the safeguarded client bank accounts. Other debtors include EUR 1,636 thousand (2020: EUR 3,489 thousand) receivable from payment partners.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

18. Non-current liabilities

GROUP	2021	2020
Payables to Leased Contracts	907	796
Others	52	31
Total	959	827

COMPANY	2021	2020
Related Party Loans received	-	3,871
Total	-	3,871

19. Investments in subsidiaries

COMPANY

	Shares in subsidiary undertaking
Cost	
As at 1 January 2020	2,389
Additions	-
Balance as at 31 December 2020	2,389
As at 1 January 2021	2,389
Additions	1,000
As at 31 December 2021	3,389
Carrying amount	
As at 31 December 2020	2,389
As at 31 December 2021	3,389

On 31 August 2021, myPOS Technologies LLC registered in Delaware, USA was established as a 100% subsidiary of myPOS Technologies AD. The share capital of myPOS Technologies LLC is EUR 9 thousand. In 2021, myPOS Technologies LLC did not distribute dividends.

On 30 July 2021, myPOS World Ltd incorporated myPOS Limited, a company registered in Dublin, Ireland. The share capital of myPOS Limited is EUR 1 million. The Company owns 100% of the capital of myPOS Ltd. In 2021, myPOS Limited did not distribute dividends.

On 30 November 2021, myPOS World Ltd acquired the remaining 50% stake in myPOS Portugal - Payment Technologies LDA, a company registered in Lisbon, Portugal, through its wholly-owned subsidiary myPOS Partners Ltd. The consideration paid was EUR 500, equal to the value of the shares. The net liabilities of myPOS Portugal - Payment Technologies LDA at the acquisition date were EUR 135 thousand and the amount of the accumulated net loss - EUR 287 thousand. The previously recorded non-controlling interest of EUR 75 thousand was de-recognised in equity.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

Details of the company's subsidiaries at 31 December 2021 are as follows:

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

* Indirect subsidiaries

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

20. Called up shared capital

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

Ordinary share capital	2021	2020
Issued and fully paid		
1,000,000 Ordinary shares of £1 each	1,140	1,140
Total	1,140	1,140

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

21. Contingent assets and contingent liabilities

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

22. Related parties

A list of all companies in the group are presented in note 19.

Companies under common control or significant influence:

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

GROUP	2021		
	Statement of comprehensive income	Receivables	Payables
Sales	-	-	-
Purchases	-	-	-
Loan granted	134	134	-
Loan payables	-	-	-
Interest Income	1	1	-
Interest Expense	-	-	-
	2020		
	Statement of comprehensive income	Receivables	Payables
Sales	2	2	-
Purchases	2,378	-	8
Loan granted	133	132	-
Loan payables	-	-	-
Interest Income	5	1	-
Interest Expense	-	-	-
	2021		
	Statement of comprehensive income	Receivables	Payables
Sales	45	42	-
Purchases	151	-	3
Loan granted	4,739	12,481	-
Loan payables	8,354	-	6,164
Interest Income	365	132	-
Interest Expense	151	-	5



	2020		
	Statement of comprehensive income	Receivables	Payables
Sales	143	122	-
Purchases	7,350	-	146
Loan granted	7,465	9,940	-
Loan payables	6,732	-	3,871
Interest Income	258	45	-
Interest Expense	175	-	4

Conditions of related party transactions

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

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

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

Remuneration of key management personnel

During the year, the Company has paid € 26 thousand to the Board of Directors (2020: € 27 thousand).

During the year, Remuneration € 2,957 thousand to the Board of Directors (2020: € 863 thousand).

23. Categories of financial assets and financial liabilities

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

	Note	2021	2020 as restated
Financial assets:			
Cash and cash equivalents	11	32,658	18,882
Trade receivables	10	954	325
Other receivables	10	1,627	819
Loans granted	15	-	-
Other non-current assets	15	1,476	187
Total financial assets		36,715	20,213
Financial liabilities:			
Other payables	17	4,275	7,150
Trade payables	17	3,652	1,740
Payables to merchants		30,198	17,663
Loans received	17	2	2,544
Payables to leased contracts	16	1,687	1,717
Other non-current trade payables	18	52	31
Amounts due to related parties	17	-	8
Total financial liabilities		39,866	30,853



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

23.1 Financial instruments risk

The Group is exposed to various risks in relation to financial instruments. For more information on the Group's financial assets and liabilities by categories see note 23.7. The main types of risks the Group is exposed to are market risk, credit risk and liquidity risk.

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

23.2 Market risk analysis

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

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

23.3 Operational risk

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

23.4 Currency risk

The Group makes purchases, sales and provides loans in local currency - Euro. The Group has also transactions in BGN currency, which has fixed rate to EUR – 1.95583. Management considers that the risk of exchange rate fluctuations of the other currencies used in the Group's activities is insignificant.

	USD	CHF	CZK	ISK	HRK	RON	PLN	GBP	DKK	NOK	SEK	HUF	JPY
Closing rate of ECB as at 31.12.2021	0.88292	0.96796	0.04023	0.00678	0.13306	0.20206	0.21754	1.19008	0.13447	0.10011	0.09756	0.00271	0.00767
Assets and liabilities denominated in EUR are presented as follows:													
Financial assets:													
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivables	-	827	-	-	3	1	-	715	1	-	1	5	-
Other receivables	1,158	-	-	-	-	2	-	40	-	-	-	-	-
Loans granted	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities:													
Amounts due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-
Other payables	(7)	(39)	-	(5)	(1)	-	-	(43)	(3)	-	-	(2)	-
Loans received	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade payables	(880)	(792)	-	-	(2)	-	-	(918)	1	1	-	-	-
Payables to Leased Contracts	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-current trade payables	-	-	-	-	-	-	-	-	-	-	-	-	-
Total foreign exchange risk	271	(4)	-	(5)	-	3	-	(206)	(1)	1	1	3	-
Currency risk analysis in case of change in rate by 1% compared to the exchange rates as at 31.12.2021	3	-	-	-	-	-	-	(2)	-	-	-	-	-

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

23.5 Interest rate risk

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

Due to the fact that the main current financial assets of myPOS Group are negotiated at a fixed interest rate, the Management considers that the Group is not exposed to a significant risk of changes in the market interest rates within the next reporting period.

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

23.6 Credit risk analysis

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

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

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

	2021	2020 as restated
Cash and cash equivalents	32,658	18,882
Trade receivables	954	325
Other receivables	1,627	819
Other non-current assets	1,476	187
Total financial assets:	36,715	20,213

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

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

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

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

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

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

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

Expected loss levels are based on the sales revenue profile for the last 48 months before 31 December 2021 and 31 December 2020, as well as the corresponding historical credit losses during that period. Historical percentages are adjusted to reflect current and future macroeconomic factors affecting the client's ability to settle the outstanding amount. However, given the short period at credit risk, the impact of these macroeconomic factors is not considered significant during the reporting period.

23.7 Liquidity risk analysis

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

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

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

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

Fair value hierarchy

The fair values of lease liabilities are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

As at 31 December 2021	Level 1	Level 2	Level 3	Total carrying amount
Payables to Leased Contracts	-	-	1,687	1,687

- Level 1: quoted (unadjusted) prices on active markets for identical assets or liabilities accessible for the Company at the date of the valuation.
- Level 2: use of a model that uses inputs (other than the quoted prices used in Level 1) that are direct or indirect market data derived from an observable market.
- Level 3: use of a valuation techniques by which the lowest level of inputs used, material for the fair value measurement, are unobserved.

23.8 Capital management policies and procedures

The Group's capital management objectives are:

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

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

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

	2021	2020 as restated
Equity	10,965	5,052
Total Assets	50,889	36,082
Ratio of Equity to Total Assets	22%	14%

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

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

24. Prior period adjustment

A prior year adjustment has been made to gross up the assets and liabilities held in respect of the company's e-money business.

The company operates a number of safeguarded client bank accounts which have an associated liability to clients and payment partners. In the prior year these balances were offset and adjustments have been made to show the gross amounts within cash at bank and in hand, other receivables and other payables as follows:

	As previously reported	Adjustment	As restated at 31 Dec 2020
Current assets			
Trade and other receivables	2,903	3,351	6,254
Cash and cash equivalents	2,770	16,112	18,882
Current liabilities			
Trade and other payables	(8,019)	(19,463)	(27,482)
Net assets	5,052	-	5,052
Capital and reserves			
Total equity	5,052	-	5,052

The group had re-assessed the categorization of its payables and receivables, resulting in reclassification as stipulated in the table above.

25. Controlling party

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

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

26. Post-reporting date events

On 24 February 2022, the Russian Federation took military action on the territory of the Republic of Ukraine, as a result of which a number of countries (including the United States, Britain and EU members) imposed sanctions on companies and individuals in Russia. As the situation is developing extremely fast, it is practically impossible to make a reliable measurable assessment of the potential economic effect. The Group (including the UK Financial Institution) has been complying with the imposed sanctions. The Group's management considers the situation in Ukraine to be a non-adjusting event after the balance sheet date. The management will continue to monitor the development of events and will take all necessary steps to prevent possible adverse effects on the activities of the Group.

myPOS World Ltd & Subsidiaries



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The Group takes all the necessary measures in order to preserve the health of its employees and to minimize the impact of the crisis at this stage of its occurrence. The actions are fully compliant and in accordance with the instructions of the national government organisations across Europe where myPOS operates.

There are no other events after the date of the statement of financial position, which require additional adjustments and / or disclosures in the financial statements of the Group for the financial period ended 31 December 2021.

26.1 Brexit

Brexit has created uncertainty for the business, specifically in relation to the ability of the Group to continue taking advantage of passporting arrangements between the UK and the EU post Brexit. The Group has executed its plans to ensure that all its customers across the EEA will continue to be able to use the myPOS platform in all eventualities in 2022 and beyond by obtaining a direct membership with the main card schemes.

26.2 Card Schemes

In 2022 the UK regulated entity in the Group, myPOS Europe Ltd, became a direct member of the Visa, MasterCard and American Express card schemes. On 1 April 2022, myPOS Europe Ltd started providing issuing and acquiring services directly to all myPOS merchants in the UK.

26.3 myPOS Experience Centre RO SARL

On 2 August 2022, the Group acquired 99% of the capital of myPOS Experience Centre RO SARL, a company registered in Bucharest, Romania, through its wholly-owned subsidiary myPOS Partners Ltd. The share capital of myPOS Experience Centre RO SARL is EUR 2,084.

26.4 myPOS Hungary KFT

On 28 April 2022, the Group made an investment in myPOS Hungary KFT, a company registered in Budapest, Hungary, through its wholly-owned subsidiary myPOS Partners Ltd. The share capital of myPOS Hungary KFT is EUR 3,705 EUR.

26.5 myPOS Limited

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