

NEXI PAYMENTS GREECE
SOCIETE ANONYME

ANNUAL FINANCIAL STATEMENTS
OF 31 DECEMBER 2023

(in accordance with International Financial Reporting Standards (IFRS))

ATHENS
MARCH 2024

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**Annual Management Report of the Board of Directors
to the Shareholders of the Company**

“NEXI PAYMENTS GREECE SOCIETE ANONYME”

**for the activities of the second (2nd) Corporate fiscal year which ended on 31 December
2023**

Dear Shareholders,

In accordance with the Law and the Articles of Association of the Company, we have the honour of submitting for approval the Financial Statements prepared by the Board of Directors for the 3rd financial year of the Company from 01 January to 31 December 2023.

Operation progress and financial position of the Company

The fiscal year that ended on 31 December 2023 was the third (3rd) fiscal year of the Company.

Losses after tax reached the amount of EUR 18.486.642 while its total assets amounted to EUR 467.265.488

The economic sizes of the Company are briefly summarised below.

STATEMENT OF FINANCIAL POSITION

| <i>(amounts in Euro)</i> | Note | 31.12.2023 | 31.12.2022 |
|---------------------------------|------|---------------------------|---------------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| Intangible Assets | 3 | 279.003.411 | 297.110.750 |
| Tangible fixed assets | 4 | 474.247 | 476.862 |
| Rights to use leased assets | 11 | 848.048 | 905.603 |
| Other non-current receivables | | 33.530 | 24.700 |
| Total non-current assets | | <u>280.359.235</u> | <u>298.517.915</u> |
| Current Assets | | | |
| Customers and other receivables | 5 | 162.157.959 | 177.111.481 |
| Cash and cash equivalents | 6 | 24.748.293 | 9.071.267 |
| Total current assets | | <u>186.906.252</u> | <u>186.182.748</u> |
| Total assets | | <u>467.265.488</u> | <u>484.700.663</u> |

EQUITY AND LIABILITIES**EQUITY**

| | | | |
|--------------------------------|---|--------------------|--------------------|
| Share capital | 7 | 63.364.470 | 63.364.470 |
| Share premium | 7 | 249.083.623 | 249.083.623 |
| Other reserves | 8 | 86.462 | 87.206 |
| Profit or loss brought forward | | -18.486.642 | 1.388.527 |
| Total equity | | 294.047.913 | 313.923.825 |

LIABILITIES**Non-current liabilities**

| | | | |
|---|----|------------------|------------------|
| Provision for compensation of personnel | 9 | 51.453 | 35.578 |
| Other provisions | | 43.987 | 11.701 |
| Deferred tax liabilities | 10 | 4.265.942 | 2.942.284 |
| Non-current lease liabilities | 11 | 777.964 | 848.417 |
| Total non-current liabilities | | 5.139.346 | 3.837.980 |

Current liabilities

| | | | |
|-------------------------------------|----|--------------------|--------------------|
| Suppliers and other liabilities | 12 | 136.298.820 | 150.531.310 |
| Current lease liabilities | 11 | 89.116 | 67.045 |
| Short-term loans - overdraft line | 13 | 31.690.294 | 16.340.502 |
| Total current liabilities | | 168.078.229 | 166.938.857 |
| Total liabilities | | 173.217.575 | 170.776.837 |
| Total Equity and Liabilities | | 467.265.488 | 484.700.663 |

The total overheads of the Company are broken down as follows:

| | 31.12.2023 | 31.12.2022 |
|---------------------------------------|--------------------|-------------------|
| Cost of interbank transactions | 84.889.234 | 39.654.692 |
| Direct cost of sales | 17.802.218 | 9.217.508 |
| Personnel remuneration and expenses | 3.900.119 | 1.298.643 |
| Administrative and Distribution Costs | 8.876.117 | 8.297.795 |
| Depreciation and amortization | 3.013.179 | 112.918 |
| Other Profit and Loss | 20.635.425 | 13.234 |
| Financial expenses | 1.377.817 | 314.262 |
| Total | 140.494.109 | 58.909.051 |

The key financial indicators of the Company for the fiscal year 2023 are as follows:

| | <u>2023</u> | | <u>2022</u> |
|---|---|--|---|
| <u>Financial Structure Ratio</u> | | | |
| <u>Current Assets</u> | $\frac{186,906,252}{467,265,488} = 40.00\%$ | | $\frac{186,182,748}{484,700,663} = 38.41\%$ |
| Total Assets | | | |

This indicator shows the ratio of funds allocated by the company to current assets versus non-current assets.

Capital Adequacy Ratio

| | | | |
|-------------------|--|--|--|
| <u>Equity</u> | $\frac{294,047,913}{173,217,575} = 169.76\%$ | | $\frac{313,923,825}{170,776,837} = 183.82\%$ |
| Total Liabilities | | | |

This indicator shows the financial self-sufficiency of the company.

| | | | |
|--------------------|--|--|--|
| <u>Equity</u> | $\frac{294,047,913}{280,359,235} = 104.88\%$ | | $\frac{313,923,825}{298,517,915} = 105.16\%$ |
| Non Current Assets | | | |

This indicator shows the degree of financing the Company's non-current assets from Equity.

| | | | |
|------------------------|--|--|--|
| <u>Current Assets</u> | $\frac{186,906,252}{168,078,229} = 111.20\%$ | | $\frac{186,182,748}{166,938,857} = 111.53\%$ |
| Short Term Liabilities | | | |

This indicator shows the Company's ability to cover its current liabilities with current assets.

Leverage Ratio

| | | | |
|------------------------|---|--|---|
| <u>Total Loans</u> | $\frac{31,690,294}{325,738,207} = 9.73\%$ | | $\frac{16,340,502}{330,264,328} = 4.95\%$ |
| Total Loans and Equity | | | |

The above indicator shows how many times the Company's borrowed funds cover equity.

Return on Equity

| | | | |
|--------------------------|---|--|--|
| <u>Net Profit/(Loss)</u> | $\frac{-17,344,604}{294,047,913} = -5.90\%$ | | $\frac{1,468,139}{313,923,825} = 0.47\%$ |
| Total Equity | | | |

This indicator shows how efficiently a company uses its capital to generate additional revenue (profits),

Securities held

On 31 December 2023, the Company did not hold any securities.

Available foreign currency

On 31 December 2023, the Company did not hold any foreign currency.

Financial risk management

The Board of Directors of the Company is responsible for risk taking and management, as well as for the supervision of the proper implementation of the risk management policy as laid down by Nexi S.p.A. The Company Management is responsible for risk management with the overall objective of increasing the net profitability of the company.

Regulatory Compliance and Risk Management

As regards the Risk Management Framework, the Company has adopted a “three lines of defence” framework to ensure an adequate credit risk governance, to ensure a clear division of responsibilities for the main monitoring and supervision activities, and independent supervision of the achievement of effective risk prevention.

The 1st and 2nd line divisions are responsible for the following activities:

- 1) Credit risk assessment, assumption and early warning monitoring.
- 2) Development and implementation of risk mitigation measures, in accordance with the requirements of the company policy.
- 3) 1st line risk report.
- 4) Determination of the assumption and monitoring procedures based on the guiding principles and standards set by the 2nd line.

The operational details of the activities described above and the risk description and risk management handbook are assigned to the operational procedures of the 1st line divisions, which must be in accordance with the policy of the Company and be reviewed by the local risk management division.

The Group Risk Management (2nd line), with the support of the local risk management division, is responsible for:

-
- 1) Proposal and revision of measurements and limits of the Risk Appetite Framework referred to in the Credit Risk Declaration with the support of the other divisions involved in the procedure. The review procedure of the Declaration shall be carried out annually or in the event of relevant changes in business or external conditions.
 - 2) Establishment of guiding principles and standards for risk assumption and monitoring.
 - 3) Risk monitoring and continuous monitoring of RAF limits.
 - 4) Reporting of risks to the Group Credit Committee and to the Group Risk Control and Sustainable Development Division.
 - 5) Support of the Group Credit Committee in setting, monitoring and consultation of guidance and limit indicators.
 - 6) Control of the policy, where necessary.

The local Risk Management Division, if assigned by the Group Risk Management, is responsible for:

- 1) Review of assumption and monitoring procedures from the 1st line.
- 2) Support of Group Risk Management in the specific analysis, especially in the event of violation of the limits
- 3) Support of the Board of Directors in the event of application of strict rules and limits for the management of credit risk according to its appetite for undertaking business risk.

The 3rd line of defence, namely the Group Internal Audit Division, with the support of the local Internal Audit Division, is responsible for the following activities:

- 1) Assessment of the operability, efficiency, economic efficiency and appropriateness of credit risk management in general, and of the internal audit system.
- 2) Report to the Boards of Directors of the Group and the Company on the effectiveness of credit risk management measures

Financial risks:

The main financial instruments of the Company are the cash and cash equivalents which aim to finance its operations. The main purpose of these financial instruments is to provide financing for its operations. The Company policy, during the year, was, and still is, not to engage in the trading of financial instruments.

The main risks arising from the financial instruments of the Company are interest rate risk, liquidity risk, and credit risk. The Board of Directors shall examine and approve principles for the management of each of these risks, as referred to in the financial statements

Liquidity risk

Liquidity risk is defined as the probability of difficulties in meeting the obligations related to financial liabilities, which are settled by the delivery of cash or other financial asset. A prudent management of liquidity risk requires adequate cash collateral and availability of financing through adequate credit operations. The Company has entered into a financing line with Alpha Bank S.A. Furthermore, the Company budgets and monitors their cash flows on a regular basis.

Interest rate risk

The interest rate risk is defined as the probability that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest rate risk is low for the company as borrowing based on variable interest rates is a small percentage of the total assets. The Company's exposure to the risk of changes in market interest rates on the liabilities data relates to short-term loan commitments at variable interest rates. Therefore, the only risk of exposure of the Company arises from the changes in the borrowing interest rate base (6-month EURIBOR). In the 2023 fiscal year the rate of the 6-month EURIBOR was close to zero.

Credit risk

Credit Risk is defined as the probability that the borrower or counterparty shall not fulfil its obligations under the agreed terms. Credit risk includes, inter alia, borrowing risk, concentration risk, country risk, settlement risk or dilution risk. The credit risk relates to the Company's bank deposits as well as overdue debts from customers. To minimize this credit risk, the Company trades only with Alpha Bank S.A. in terms of its bank deposits, and for the overdue debts from customers, each year it makes provision for impairment of the balances in accordance with the instructions of the NEXI SpA Group as well as the application of IFRS 9.

Accounting principles

The financial statements of the Company were prepared by its Management on the basis of the International Financial Reporting Standards (IFRS), adopted by the European Union in accordance with Regulation No 1606/2002 of the European Union, under the historical cost principle and the going-concern principle.

The first fiscal year of the Company was short (less than twelve months), so the company results between the two fiscal years are not comparable.

The preparation of the financial statements in accordance with IFRS requires the use of certain accounting estimates and assumptions. It also requires that the Management exercise a judgment in the process of

applying the Company's accounting principles. Estimates and assumptions are based on the best possible knowledge of the Company Management in relation to the current circumstances.

There are no standards and interpretations of standards that have been applied prior to the date of their implementation.

Dividend distribution

Under Greek commercial law, companies are required to pay an annual dividend. Specifically, 35% of the net profits is distributed as a dividend, after income tax and after the statutory reserve is formed and the credit lines of the profit or loss statement that do not consist realised profits are deducted (Art. 160 & Art. 161 of Law 4548/2018). However, it is also possible to derogate from the aforesaid in the event of approval by the General Meeting of Shareholders in accordance with the provisions of Art. 161 of Law 4548/2018.

Environmental issues: The Company does not have activities that affect the environment and in general is guided by the policy of the Nexi S.p.A. Group on these issues.

Labour issues: During the current fiscal year, the Company recruited personnel . Until 31/12/2023 it employed 61 persons.

Operation progress - Prospects

The Company operates as a Paying Institution in accordance with the provisions of Law 4537/2018, having received the relevant operating license from the Bank of Greece.

The 2023 fiscal year was the second year of operation of the company after the separation of the card acceptance and transaction clearing sector from Alpha Bank and the acquisition of 90.09% of the shares by Nexi S.p.A. Several factors have had a positive effect on our financial performance over the last year. First, there was an increase in the volume of transactions due to the increase in tourist arrivals to levels close to those of 2019. Secondly, the increase in the use of electronic means of payment as a percentage of domestic private consumption, which was accompanied by a further development of e-commerce and payments via e-wallets, continued.

The cost of interbank transactions as a percentage of the business cycle increased due to the imposition of additional charges by Visa, while the increase in the volume of transactions from cards issued outside the European Economic Area is accompanied by significantly higher fees from the Card Schemes.

In summary:

- The turnover amounted to 124.47 million Euros
- The gross profit amounted to 21.78 million Euros
- Net losses before tax amounted to 16.02 million Euros
- The cash flow on 31 December 2023 amounted to 24.75 million Euros
- The total receivables on 31 December 2023 amounted to 162.16 million Euros and current liabilities to 168.08 million Euros

Other Issues

- The Company does not have Branches.
- Financial risks are managed effectively by the Board of Directors
- Transactions with related parties are referred to in note 22 on the Financial Statements
- The Company has no activity in the field of research and development.
- The Company has not acquired its own shares either by itself or by a person acting in its name on its behalf.

Significant events that occurred from the end of the fiscal year to the date of submission of this report

On 09 February 2024 the Extraordinary General Meeting of the Company decided, inter alia:

Recall of all the member of the Board of Directors and election of a new one – Defination of the Independent non Executive member.

The General Meeting recall the Board of Directors after all of its members and decides to elect a new Board of Directors of the company consisting of six (6) members as follows:

- 1) Mrs Monica Cappo daughter of Giancarlo, born in Milan, Italy, on 17.08.1963, resident of Abbiategrasso (Milan), Italy, (Via Cesare Battisti, no. 15), holder of the ID card No. CA86183KI (issued in the city of Abbiategrasso on 25.10.2021), with VAT number 181658094 of the Tax Office of foreign residents, Italian citizen.
- 2) Mr Eugenio Tornaghi son of Luigi, born in Vimercate, Italy on 23.07.1967, resident of Vimercate (MB) Italy (Via Quarto, no. 20), holder of the Passport No. YB1451162 (issued by the Italian Ministry of Foreign Affairs on 04.10.2017), with VAT number 180153186, of the Tax Office of foreign residents, Italian citizen.
- 3) Mr David Emmanuel Gebhardt, son of Rolf, born in Toul, France, on 12.07.1974, resident of Milan, Italy, (20 155), (Via Francesco Caracciolo no 94), holder of the Passport No. 22EH64110 (issued by the French Embassy in Athens on 26.07.2022), with T.I.N. 180184777 of the Tax Office of Foreign Residents, French citizen.

4) Mr Nikolaos Papadoglou son of Constantine, born in Thessaloniki, on 1974, resident of Anoixi, Attica, A. Anoixis no.60, holder of the ID card No. AK095863/19.12.2011, with VAT number 133392914 of the Tax Office of Kifisia, Greek citizen.

5) Mr Marios Kalotichos son of Christos, holder of the ID card No. 810579/09.12.2016, born in Thessaloniki, on 15.04.1981, resident of Athens, Filimonos no.26, with VAT number 180161149 of the Tax Office of Papagou, Cypriot citizen.

6) Mr Georgios Kontos son of Nikolaos, born in Kalidona, Ilias, on 20.06.1947, resident of Neas Ionias, Attica (Vosporou no.65), holder of the ID card AB522299/10.08.2006, with VAT number 015507796 Of the Tax Office of Nea Ionia, Greek citizen.

Following this, the General Assembly, having ascertained that Mr Georgios Kontos meets all the independence criteria, in accordance with the applicable legislative and regulatory framework, designates him as the Independent Non-Executive Member.

On February 14, 2024, the Board of Directors of the company took part in the matter of the formation of the Board of Directors in a body - Designation of Executive and non-Executive Members.

The Board of Directors consists of the following persons, each in their capacity as executive or non-executive:

1. Monica Coppo, Chairman, Non-Executive Member
2. Eugenio Tornaghi, Managing Director, Executive Member
3. Nikolaos Papadoglou, Member, Executive Member
4. David Emmanuel Gebhardt, Member, Non-Executive Member
5. Marios Kalotichos, Member, Non-Executive Member and
6. Georgios Kontos, Independent Non-Executive Member

Dear Shareholders,

the Board of Directors invites you to approve (a) the Financial Statements of the fiscal year from 01 January 2023 to 31 December 2023 and (b) the overall management of the Board of Directors for that fiscal year and to discharge the Certified Auditors of the Company from any liability for this fiscal year.

Athens, 05 March 2024

The Chairman of the Board of Directors
Monica Coppo

Managing Director, BoD Member
Eugenio Tornaghi



Report of the Independent Certified Public Accountant

To the Shareholder of the Company “NEXI PAYMENTS GREECE SOCIETE ANONYME”.

Audit Report on the Financial Statements

Opinion

We have checked the financial statements of the company “NEXI PAYMENTS GREECE SOCIETE ANONYME” (Company), which consist of the statement of financial position of 31 December 2023, the statement of profit or loss and other comprehensive income, changes in equity and cash flow of the fiscal year that ended on that date, as well as the notes on the financial statements including a summary of the significant accounting policies.

In our opinion, the attached financial statements reasonably present, in all material respects, the financial position of the Company as at 31 December 2023, its financial performance and its cash flows, for the fiscal year that ended on this date, in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union and conform to the regulatory requirements of Law 4548/2018.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA), which have been incorporated into the Greek Law. Our responsibilities, according to these standards, are further described in the section of our report “Auditor's Responsibilities for the audit of financial statements”. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Auditor's Independence

Throughout our appointment we have remained independent from the Company, in accordance with the Code of Ethics for Professional Auditors of the International Ethics Standards Board for Accountants (IESBA Code) incorporated in the Greek Law, as well as the ethical requirements of Law 4449/2017, related to the audit of financial statements in Greece. We have fulfilled our ethical responsibilities in accordance with Law 4449/2017 and the requirements of the IESBA Code.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Management Report of the Board of Directors (but does not include the financial statements and the audit report on them), which we received prior to the date of this audit report.

Our opinion on the financial statements does not cover the Other Information and, apart from what we expressly state in this paragraph of our Report, we do not express an audit or other assurance opinion on them.

In relation to our audit on the financial statements, it is our responsibility to read the Other Information and thereby examine whether the Other Information is materially inconsistent with the financial statements or the knowledge we acquired during the audit or otherwise appears to be materially incorrect. We examined whether the Management Report of the Board of Directors includes the notifications required by Law 4548/2018.

Based on the tasks we performed during our audit, in our opinion:

- The information contained in the Management Report of the Board of Directors for the fiscal year that ended on 31/12/2023 is consistent with the financial statements
- The Management Report of the Board of Directors has been prepared in accordance with the applicable legal requirements of Article 150 of Law 4548/2018.

Furthermore, based on the knowledge and understanding we have acquired during our audit, for the Company NEXI PAYMENTS GREECE SOCIETE ANONYME and its environment, we are required to report whether we have identified material misstatements in the Management Report of the Board of Directors. We have nothing to report on this matter.

Responsibilities of the Board of Directors and those responsible for governance over financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, as adopted by the European Union, the requirements of Law 4548/2018, and for those internal audit practices that the Board of Directors determines as necessary, in order to allow the preparation of financial statements free from material misstatement, due to either fraud or error.

When preparing the financial statements, the Board of Directors shall be responsible for assessing Company's ability to continue as a going concern, disclosing where relevant, the issues related to the going concern and the use of the going concern basis of accounting, unless the Board of Directors intends to either liquidate the Company or cease its activities or has no other realistic alternative than to proceed with such actions.

Those charged with governance have the responsibility to supervise the financial reporting process of the Company.

Auditor's responsibilities for the audit of financial statements

Our objectives are to obtain a reasonable assurance as to whether the financial statements, as a whole, are free from material misstatement, due to either fraud or error, and to issue an auditor's report, which includes our opinion. Reasonable assurance is a high-level assurance, but it is not a guarantee that the audit carried out in accordance with the ISA, which have been incorporated into the Greek Law, will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material when, individually or cumulatively, it could reasonably be expected that they would affect the financial decisions of the users, reached on the basis of these financial statements.

As a task of the audit, in accordance with the ISA, which have been incorporated into the Greek Law, we exercise professional judgment and maintain professional scepticism throughout the audit. Moreover:

- We identify and assess the risks of material misstatement in the financial statements, due to either fraud or error, by designing and carrying out audit procedures corresponding to these risks and we obtain audit evidence that is adequate and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than that due to error, as the fraud may involve collusion, forgery, intentional omissions, false assurances or bypassing the internal audit practices.
- We understand the internal audit practices related to the audit, in order to design audit procedures appropriate to the circumstances, but not to deliver an opinion on the effectiveness of the Company's internal audit practices.
- We assess the appropriateness of the accounting policies and methods used and the reasonableness of the accounting estimates and related disclosures made by the Board of Directors.
- We decide on the appropriateness of the use by the Board of Directors of the going concern basis of accounting and on the basis of the audit evidence obtained as to whether there is material uncertainty about events or circumstances that may indicate material uncertainty as to the Company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required, in the auditor's report, to draw attention to the relevant disclosures of the financial statements or if these disclosures are insufficient to differentiate our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We assess 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.

Among other issues, we notify those responsible for governance, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal audit practices that we identify during our audit.

Report on other legal and regulatory requirements

The tasks we performed with regard to the Management Report of the Board of Directors are stated above in the "Other Information" section.



Athens, 22 March 2024
The Certified Public Accountant

PricewaterhouseCoopers
Auditing Firm Societe Anonyme
Certified Public Accountants
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Evangelos Venizelos
SOEL R.N. 39891

Annual Financial Statements of 31 December 2023

Statement of Profit or Loss and Other comprehensive Income

| <i>(amounts in Euros)</i> | Note | 1.1.2023- 31.12.2023 | 1.1.2022- 31.12.2022 |
|--|------|-------------------------|-------------------------|
| Revenue | 14 | 124.473.814 | 63.315.582 |
| Cost of interbank transactions | 15 | (84,889,234) | (39.654.692) |
| Net Revenue | | 39.584.580 | 23.660.891 |
| Direct cost of sales | 16 | (17.802.218) | (9.217.508) |
| Gross Profit/Loss | | 21.782.362 | 14.443.382 |
| Personnel remuneration and expenses | 17 | (3.900.119) | (1.298.643) |
| Administrative and Distribution Costs | 18 | (8.876.117) | (8.297.795) |
| Depreciation and amortization | | (3.013.179) | (112.918) |
| Other Profit and Loss | 19 | (20.635.425) | (13.234) |
| Operating Result | | (14.642.477) | 4.720.793 |
| Financial Expenses | 20 | (1.377.817) | (314.262) |
| Net profit/loss for the period before taxes | | (16.020.294) | 4.406.531 |
| Income Tax | 21 | (1.324.310) | (2.938.392) |
| Net losses for the period after taxes | | (17.344.604) | 1.468.139 |
| Other comprehensive income | | | |
| Other income recognised directly in equity | | (1.142.038) | 13.799 |
| | | (1.142.038) | 13.799 |
| Total income | | (18.486.642) | 1.481.938 |

The notes (p.p. 20-45) annexed hereto form an integral part of these financial statements.

Statement of Financial Position*(amounts in Euros)*

| | Note | 1.1.2023- 31.12.2023 | 1.1.2022- 31.12.2022 |
|---|------|-------------------------|-------------------------|
| <u>ASSETS</u> | | | |
| Non-current Assets | | | |
| Intangible Assets | 3 | 279.003.411 | 297.110.750 |
| Tangible fixed assets | 4 | 474.247 | 476.862 |
| Rights to use leased assets | 11 | 848.048 | 905.603 |
| Other non-current receivables | | 33.530 | 24.700 |
| Total non-current assets | | 280.359.235 | 298.517.915 |
| Current Assets | | | |
| Customers and other receivables | 5 | 162.157.959 | 177.111.481 |
| Cash and cash equivalents | 6 | 24.748.293 | 9.071.267 |
| Total current assets | | 186.906.252 | 186.182.748 |
| Total assets | | 467.265.488 | 484.700.663 |
| <u>EQUITY AND LIABILITIES</u> | | | |
| <u>EQUITY</u> | | | |
| Share capital | 7 | 63.364.470 | 63.364.470 |
| Share premium | 7 | 249.083.623 | 249.083.623 |
| Other reserves | 8 | 86.462 | 87.206 |
| Profit or loss brought forward | | -18.486.642 | 1.388.527 |
| Total equity | | 294.047.913 | 313.923.825 |
| <u>LIABILITIES</u> | | | |
| Non-current liabilities | | | |
| Provision for compensation of personnel | 9 | 51.453 | 35.578 |
| Other provisions | | 43.987 | 11.701 |
| Deferred tax liabilities | 10 | 4.265.942 | 2.942.284 |
| Non-current lease liabilities | 11 | 777.964 | 848.417 |
| Total non-current liabilities | | 5.139.346 | 3.837.980 |
| Current liabilities | | | |
| Suppliers and other liabilities | 12 | 136.298.820 | 150.531.310 |
| Current lease liabilities | 11 | 89.116 | 67.045 |
| Short-term loans - overdraft line | 13 | 31.690.294 | 16.340.502 |
| Total current liabilities | | 168.078.229 | 166.938.857 |
| Total liabilities | | 173.217.575 | 170.776.837 |
| Total Equity and Liabilities | | 467.265.488 | 484.700.663 |

The notes (p.p. 20-45) annexed hereto form an integral part of these financial statements.

Cash Flow Statement

| <i>(amounts in Euros)</i> | 31.12.2023 | 31.12.2022 |
|--|--------------------|---------------------|
| Operating Activities | | |
| Profit/ Loss before tax | (120.103) | 1.468.139 |
| <i>adjustments for:</i> | | |
| Income taxes | 4.850.215 | 2.938.392 |
| Depreciation and amortization | 3.013.179 | 112.918 |
| Provisions | (1.900.000) | 13.163 |
| Interest and Financial expenses | 1.377.817 | 310.327 |
| Operating flows before changes in working capital | 7.221.109 | 4.842.939 |
| <u>Changes in Working Capital</u> | | |
| Reduction/ (increase) of customers and other receivables | 12.462.944 | 63.292.367 |
| (Reduction)/ increase of suppliers and other liabilities | (777.528) | (79.777.055) |
| Net cash flows from operating activities | 18.906.525 | (11.641.748) |
| Cash flow from investment activities | | |
| Acquisition of intangible assets and property | (1.673.003) | (865.661) |
| Net cash flows from investment activities | (1.673.003) | (865.661) |
| Cash flows from financing activities | | |
| Share Capital Increase | 0 | 5.000.000 |
| Dividend Payment | (1.388.527) | 0 |
| Share capital increase costs | 0 | (373.187) |
| Loans received | 0 | 16.340.502 |
| Loan interest repayment | 0 | (297.900) |
| Lease liabilities capital repayments | (145.781) | (76.204) |
| Lease liabilities interest repayments | (22.189) | (12.427) |
| Net cash flows from financing activities | (1.556.496) | 20.580.784 |
| Net increase/(decrease) in cash and cash equivalents | 15.677.026 | 8.073.376 |
| Cash and cash equivalents at the beginning of the fiscal year | 9.071.267 | 997.892 |
| Cash and cash equivalents at the end of the fiscal year | 24.748.293 | 9.071.267 |

Statement of Changes in Equity

| (amounts in Euros) | Share capital | Above par | Reserves | Profit or Loss brought forward | Total equity |
|---|-------------------|--------------------|---------------|-----------------------------------|---------------------|
| Balance, 31 December 2021 | 1.000.000 | - | - | (7.275) | 992.725 |
| Share capital increase - issue of shares for industry absorption | 61.364.470 | 245.457.880 | | | 306.822.350 |
| Share capital increase with cash | 1.000.000 | 4.000.000 | | | 5.000.000 |
| Share capital increase costs | | (373.187) | 13.799 | | (359.388) |
| Statutory Reserve | | | 73.407 | (73.407) | 0,00 |
| Internal transfers | | (1.070) | | 1.070 | 0,00 |
| Net Losses for the period | | | | 1.468.139 | 1.468.139 |
| Balance, 31 December 2022 | 63.364.470 | 249.083.623 | 87.206 | 1.388.527 | 313.923.825 |
| Share capital increase - issue of shares for industry absorption | | | | | 0,00 |
| Share capital increase with cash | | | | | 0,00 |
| Share capital increase costs | | | (744) | | (744) |
| Statutory Reserve | | | | | 0,00 |
| Internal transfers | | | | (1.388.527) | (1.388.527) |
| Net Losses for the period | | | | (18.486.642) | (18.486.642) |
| Balance, 31 December 2023 | 63.364.470 | 249.083.623 | 86.462 | (18.486.642) | 294.047.913 |

The notes (p.p. 20-45) annexed hereto form an integral part of these financial statements.

Notes to the Financial Statements

1. General information about the Company

The Company NEXI PAYMENTS GREECE SOCIETE ANONYME, (the “Company”) was established on 15 November 2021, when it was registered in the General Commercial Register under number 161553201000. The Company bears the distinctive title “NEXI PAYMENTS GREECE S.A.” and is based in the Municipality of Athens, at 15 Charilaou Trikoupi Str. Its duration was set out, under its Articles of Association, in 99 years.

The purpose of the Company is the operation of a payment institution in accordance with Law 4537/2018, as in force, and in particular the provision of the following services:

- (a) Services enabling cash to be placed on a payment account as well as all the operations required for operating a payment account;
- (b) Services enabling cash withdrawals from a payment account as well as all the operations required for operating a payment account;
- (c) Execution of payment transactions, including transfers of funds on a payment account with the user's payment provider or with another payment service provider:
 - (i) execution of direct debits, including one-off direct debits;
 - (ii) execution of payment transactions through a payment card or a similar device;
 - (iii) execution of credit transfers, including standing orders;
- (d) Execution of payment transactions where the funds are covered by a credit line for a payment service user:
 - (i) execution of direct debits, including one-off direct debits;
 - (ii) execution of payment transactions through a payment card or a similar device;
 - (iii) execution of credit transfers, including standing orders;
- (e) Issuance of payment instruments and/or acquiring of payment transactions;
- (f) Remittance services;
- (g) Payment initiation services;
- (h) Account information services;
- (i) Provision of operational and closely related ancillary services such as ensuring the execution of payment transactions, foreign exchange services, safekeeping activities, and the storage and processing of data;
- (j) Operation of payment systems;

The provision of the above services is dependent on approval by the competent supervisory Authority.

The Company belongs to the NEXI S.p.A. Group with the distinctive title “Nexi S.p.A.”, with a percentage of 90.01% and to Alpha Bank SA with a percentage of 9.99%.

Furthermore, in order to understand the framework and the purpose of the establishment of the Company, we state the following:

The societe anonyme under the company name “NEXI PAYMENTS GREECE SOCIETE ANONYME” and the distinctive title "NEXI PAYMENTS OF GREECE S.A." with GCR number 161553201000 and TIN 801689787, with its registered office in Athens, at No 15 Charilaou Trikoupi Street, legally represented, as the universal successor of the societe anonyme bank under the name "ALPHA BANK SOCIETE ANONYME" and the distinctive title "ALPHA BANK", with its registered office in Athens, at No 40 Stadiou street, with GCR number 159029160000 and TIN 996807331, legally represented, regarding the card acceptance and transaction clearing sector, following the division of the latter with the separation of the said sector and its contribution to the newly established payment institution company, initially under the company name “Alpha Payment Services SINGLE MEMBER SOCIETE ANONYME” the distinctive title “Alpha Payment Services S.M.S.A.”. and already under the company name “NEXI PAYMENTS GREECE SOCIETE ANONYME” and the distinctive title “NEXI PAYMENTS GREECE S.A.”, registered in GCR and was published in the data of the company being divided and the beneficiary with the ref. num. 2654854/30.06.2022 and 2645045/30.06.2022 Notices respectively,

In particular:

On 30.06.2022 the division was approved and registered in the GCM, of the banking company under the company name "ALPHA BANK SOCIETE ANONYME" with GCR number 223701000 and TIN 094014249 (hereinafter the “Company being divided”), with the separation of the card acceptance and transaction clearing of transactions sector and its contribution to the newly established payment institution company, initially under the company name “Alpha Payment Services SINGLE MEMBER SOCIETE ANONYME” the distinctive title “Alpha Payment Services S.M.S.A.”. and already under the company name “NEXI PAYMENTS GREECE SOCIETE ANONYME” and the distinctive title “NEXI PAYMENTS GREECE S.A.” with GCR number 161553201000 and TIN 801689787, with its registered office in Athens, at No 15 Charilaou Trikoupi Street, legally represented (hereinafter the “Beneficiary”) in accordance with the provisions of par. 3 of Article 54, par. 2 of Article 57, Articles 58 to 73 and Articles 83 to 87 and 140 of Law 4601/2019, and the relevant provisions of Law 4548/2018 as well as Article 16 par. 18 of Law 2515/1997, as in force, in conjunction with the no. 47.018 / 14.06.2022 Act of Division of the notary of Athens Georgios Stefanakos. The aforementioned division was registered in GCR and was published in the data of the company being divided and the beneficiary with the ref. num. 2654854/30.06.2022 and 2645045/30.06.2022 Notices respectively. Since the publication of the approval decision of the division with the separation of the sector in the GCM on 30.06.2022, the Beneficiary automatically entered as a universal successor of the Company being divided, in the assets and liabilities of the card acceptance and transaction clearing sector, as they had been formed on the date of the division and, in general, in any right or obligation or legal relationship or activity related to the above sector. The assets to which the Beneficiary entered, as the universal successor of the Company being divided, include (inter alia) all the legal relationships of the Company being divided which are broken down indicatively in clause 2.3 of the Division Agreement, which existed until the approval of the division on 30.06.2022.

II. The share capital of the Company is equal to sixty three million three hundred sixty-four thousand four hundred and seventy Euros (€ 63,364,470.00), divided into six million three hundred thirty-six thousand four hundred and forty-seven (6,336,447.00) common registered shares, of nominal value ten Euros (€ 10.00) each, which has been formed as follows:

- a. The initial share capital of the Company was equal to one million Euros (€ 1,000,000.00), divided into one hundred thousand (100,000.00) common registered shares, with a nominal value of ten Euros (€ 10.00) each.
- b. With the decision of the Extraordinary General Meeting of Shareholders dated 14.06.2022, it was decided to increase the share capital of the Company, due to the division (separation of the sector) of the societe anonyme banking company under the name “ALPHA BANK SOCIETE ANONYME” and the contribution of its card acceptance and transaction clearing sector (merchant acquiring) in the Company, by the amount of sixty-one million three hundred sixty-four thousand four hundred and seventy Euros (€ 61,364,470.00), with the issuance of six million one hundred thirty-six thousand four hundred and forty-seven (6,136,447.00) new common

registered shares, with a nominal value of ten Euros (€ 10.00) and a sale price of fifty Euros (€ 50.00) per share respectively, and credit of the difference between the issue price and the sale price of the new shares, of a total amount of two hundred forty-five million four hundred and fifty-seven thousand eight hundred and eighty Euros (€ 245,457,880.00), in a specific reserve share premium account of the Company.

c. With the decision of the Extraordinary General Meeting of Shareholders dated 30.06.2022, it was decided to increase the share capital of the Company by one million Euros (€ 1,000,000.00), with the issuance of one hundred thousand (100,000.00) new common registered shares, with a nominal value of ten Euros (€ 10.00) per share and a sale price of fifty Euros (€ 50.00) per share, respectively, and credit of the difference between the issue price and the sale price of the new shares, total amounting to four million Euros (€ 4,000,000.00) in a specific reserve share premium account of the Company.

In summary, the basic information about the Company is as follows:

Composition of the Board of Directors

1. Monica Coppo, Chairman, Non-Executive Member
2. Eugenio Tornaghi, Managing Director, Executive Member
3. Nikolaos Papadoglou, Member, Executive Member
4. David Emmanuel Gebhardt, Member, Non-Executive Member
5. Marios Kalotichos, Member, Non-Executive Member and
6. Georgios Kontos, Independent Non-Executive Member

The term of office of the Board of Directors expires on 08 February 2029

Supervisory Authority

Bank of Greece

G.C.M. Number

161553201000

Tax Identification Number

801689787

The Board of Directors of the Company approved the financial statements of the 3rd fiscal year that ended on 31 December 2023, at its meeting of 05 March 2024.

2. Accounting principles adopted

2.1 Basis of preparation of the financial statements

These financial statements relate to the fiscal year 01.01.2023 - 31.12.2023, and have been prepared in accordance with the International Financial Information Standards (IFRS), as adopted by the European Union, pursuant to Regulation No 1606/2002 of the European Parliament and of the Council of the European Union of 19 July 2002. The first fiscal year of the Company was short (less than twelve months), so the company results between the two fiscal years are not comparable.

These financial statements have been prepared under the historical cost principle and the going-concern principle.

The amounts included in these financial statements are presented in Euros, unless otherwise stated in the individual notes.

New standards, amendments to standards and interpretations: Specifically, new standards, amendments to standards and interpretations have been issued, which are mandatory for accounting periods beginning on or after 1 January 2023. The Group's assessment of the impact of the implementation of these new standards, amendments and interpretations is set out below.

Standards and Interpretations mandatory for the current fiscal year

IFRS 17 "Insurance contracts" and Amendments to IFRS 17 applicable to annual accounting periods beginning on or after 1 January 2023.

IFRS 17 was issued in May 2017 and, together with the Amendments to IFRS 17 issued in June 2020, replaces IFRS 4. IFRS 17 establishes the principles for the recognition, measurement and presentation of insurance contracts that are in scope of the standard as well as the relevant disclosures. The purpose of the standard is to ensure that an entity provides relevant information that presents a fair view of those contracts. The new standard resolves the comparability problems created by IFRS 4 as it requires all insurance contracts to be accounted for in a consistent manner. Insurance liabilities will be measured at current values and not historical costs.

IAS 1 (Amendments) "Presentation of Financial Statements" and Second Statement of IFRS Practice "Disclosure of Accounting Policies" applicable to annual accounting periods beginning on or after 1 January 2023.

The amendments require companies to disclose information about their accounting policies when these are material and provide guidance on the concept of materiality when it is applied to accounting policy disclosures. IAS 8 (Amendments) "Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates" applicable to annual accounting periods beginning on or after 1 January 2023. The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates.

IAS 12 (Amendments) "Deferred tax relating to assets and liabilities arising from a single transaction" applicable to annual accounting periods beginning on or after 1 January 2023.

The amendments require companies to recognize deferred taxation on certain transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This usually applies to transactions such as leases to lessees and remedial obligations.

IFRS 17 (Amendment) “Initial Application of IFRS 17 and IFRS 9 - Comparative Information” applicable to annual accounting periods beginning on or after 1 January 2023.

The amendment is a transition option related to comparative information about financial assets presented upon initial application of IFRS 17. The amendment is intended to help entities avoid temporary accounting mismatches between financial assets and insurance policy liabilities, and thereby improving the usefulness of comparative information for users of financial statements.

IAS 12 'Income Taxes' (Amendments): International Tax Reform - Second Pillar Standard Rules applicable to annual accounting periods beginning on or after 1 January 2023.

The amendments introduce a mandatory temporary exemption from accounting for deferred taxes arising from the international tax reform of the Organization for Economic Co-operation and Development (OECD). The amendments also introduce targeted disclosure requirements.

The temporary exemption applies immediately and retrospectively, in accordance with IAS 8, while the targeted disclosure requirements will apply to annual reporting periods beginning on or after 1 January 2023.

Standards and Interpretations mandatory for later periods.

IAS 1 (Amendments) "Presentation of Financial Statements" applicable to annual accounting periods beginning on or after 1 January 2024.

- 2020 Amendment “Classification of liabilities as current or non-current”

The amendment clarifies that liabilities are classified as current or non-current based on the rights in effect at the end of the reporting period. The classification is not affected by the entity's expectations or events after the reporting date. In addition, the amendment clarifies the meaning of the term "settlement" of an IAS 1 liability.

- 2022 Amendments "Long-term Contingent Liabilities"

The new amendments clarify that if the right to defer settlement is subject to the entity's compliance with specified conditions (clauses), that amendment will only apply to conditions that exist when compliance is assessed on or before the reporting date. In addition, the amendments are intended to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with clauses within twelve months of the reporting period.

The 2022 amendments changed the effective date of the 2020 amendments. As a result, the 2020 and 2022 amendments are effective for annual reporting periods beginning on or after 1 January 2024 and should be applied retrospectively in accordance with IAS 8. As a result of the alignment of effective dates, the 2022 amendments will take precedence over the 2020 amendments when they both become effective in 2024.

IFRS 16 (Amendment) "Lease Liability in a Sale and Leaseback" applicable to annual accounting periods beginning on or after 1 January 2024.

The amendment clarifies how an economic entity accounts for a sale and leaseback after the transaction date. Sales and leaseback transactions where some or all of the lease payments are variable payments that do not depend on an index or a rate are more likely to be affected. An economic entity shall apply the receivables retrospectively to sales and leaseback transactions concluded after the date on which the economic entity initially applied IFRS 16.

IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments" (Amendments) - Disclosures: Supplier Financial Agreements applicable to annual accounting periods beginning on or after 1 January 2024.

The amendments require companies to disclose information about their Supplier Finance Arrangements, such as terms and conditions, carrying amount of financial liabilities that are part of such arrangements, range of payment due dates and liquidity risk information. The amendments have not yet been adopted by the EU.

IAS 21 "The Effects of Changes in Exchange Rates" (Amendments) - Non-currency exchangeability applicable to annual periods beginning on or after 1 January 2025.

The amendments require companies to apply a consistent approach in assessing whether a currency can be exchanged for another currency and, when it cannot, in determining the exchange rate to be used and the disclosures to be provided. The amendments have not yet been adopted by the EU.

2.2 Foreign Currency Transactions

The items included in the financial statements are valued and presented in Euro which is the functional currency of the Company.

Transactions made in foreign currency are converted into Euros, at the exchange rate of the transaction date. On the date of preparation of the financial statements, the monetary items in foreign currency, of Assets and Liabilities shall be valued at the closing prices of that date.

The resulting exchange differences, profits or losses shall be recognised in the profit or loss.

In 2022 fiscal year, there were no foreign currency transactions.

2.3 Tangible fixed assets

Fixed tangible assets are reflected at the acquisition value, reduced by accumulated depreciation and amortisation and accumulated impairment.

Subsequent expenditure should be recognised as an increase in the carrying amount of fixed tangible assets or as a separate fixed asset only to the extent that such expenditure increases future economic benefits, which are expected to flow from the use of the fixed asset and their costs can be reliably measured. The cost of repairs and maintenance is recognised in the profit or loss when incurred.

The category of owner-occupied tangible fixed assets includes assets with the right of use in the event that those assets are owner-occupied by the Company. The asset with the right of use is valued at the cost reduced by any accumulated depreciation and amortisation and impairment losses and adjusted at any reassessment of

the lease liability. For the useful life of the assets with rights of use, the Company shall assess the shortest period between the useful life of the leased asset and the lease term if there is no certainty in the contract for the transfer of ownership or reasonable certainty for the exercise of purchase option, where the duration of the amortization is the same as the useful life of the asset.

The depreciation of the other tangible fixed assets is calculated using the straight line during their useful life, which has been determined as follows:

The expected useful life of the fixed assets is as follows:

| | |
|---------------------------------|----------|
| Right to use immovable property | 3 years |
| PC Hardware | 5 years |
| Other Equipment and Furniture | 10 years |

When the carrying amounts of the tangible fixed assets exceed their recoverable value, the difference (impairment) is immediately entered as an expense, in the profit or loss.

When selling tangible fixed assets, the differences between the price obtained and their carrying amount are entered as profit or loss in the profit or loss.

2.4 Financial instruments

The Company recognizes the financial instruments as assets or liabilities if it becomes a counterparty that acquires rights or assumes liabilities under the contractual terms of the financial instrument. During the initial recognition, the financial assets and liabilities are recognized at their fair value. After the initial recognition, they are classified into only two categories, the one in which the valuation is carried out at undepreciated cost and the one in which the valuation is carried out at fair value (through the other effects directly entered in the Equity or through the profit or loss).

More specifically, the financial assets and liabilities of the Company relate to cash and cash equivalents, which are valued at undepreciated cost.

These assets shall be examined periodically for the existence of expected impairment losses.

2.5 Income tax

Income tax includes current tax and deferred tax. Income tax is entered in the income statement, except where there are funds that were entered directly in the equity, where their tax is also entered in the equity. The current tax includes the tax expected to be paid on the taxable income of the fiscal year, based on the tax rates applicable on the date of preparation of its financial statements.

The deferred tax is calculated on the temporary differences between the carrying amount and the tax base of the assets and liabilities based on the tax rates applicable or expected to apply at the time of the settlement of the liability or asset under the tax rates (and laws) established by the time the financial statements are prepared.

A deferred tax asset is recognized only to the extent that it is likely that there will be future taxable profits against which the asset can be offset. Deferred tax assets are reduced to the extent that it is no longer likely that the relevant tax benefit will be realized.

The tax assets and liabilities (current and deferred) are offset when an applicable legal right exists and the income taxes relate to the same tax authority and at the same time the Company intends to simultaneously settle the asset and the liability or to settle the net amount that arises by offsetting them.

2.6 Cash and cash balances

This category includes:

- (a) the cash at the Company Treasury
- (b) the sight deposits
- (c) the fixed-term deposits (with a duration of less than three months)
- (d) the short-term investments (with a duration of less than three months) of immediate liquidation and risk-free.

2.7 Provisions - contingent liabilities and contingent assets

Provisions are entered when the Company has current liabilities legally or otherwise documented as a result of past events, it is possible to settle them through outflow of resources and the assessment of the exact amount of the liability can be carried out reliably.

The provisions are reviewed on the dates of preparation of the financial statements and are adjusted to reflect the current best estimates.

Contingent liabilities include:

- possible commitments arising from events of the past and the existence of which will be confirmed only by the realization or not of one or more uncertain future events, which are not entirely under the control of the Company, or

- present commitments arising from past events that are not recognized because:

- it is unlikely that an outflow of resources incorporating economic benefits will be required to settle the liability; or
- the amount of the commitment cannot be valued with sufficient reliability.

Contingent liabilities shall be disclosed unless they are not significant.

Contingent receivables are not recognized in the financial statements but are disclosed if the inflow of economic benefits is likely.

2.8 Leases

The Company enters into or is likely to enter into agreements on fixed assets in the future either as a lessee or as a lessor.

Upon the entry into force of the agreement, the Company shall assess whether the agreement constitutes or contains a lease. If the agreement grants a right to control the use of a recognizable asset for a period of time in exchange for a price, then the agreement constitutes or contains a leasehold.

The term of the lease is defined as the non-cancellable period of the lease in combination with any additional period for which the lessee has the right to extend the lease of the asset, as long as it is almost certain that the lessee will exercise this right, and any additional period for which the lessee has the right to withdraw from the agreement, provided that it is almost certain that the lessee will not exercise that right. After the commencement of the lease term, with the occurrence of a significant event or significant change in the conditions that fall under its control, the Company as a lessee reassesses the lease term. The Company, either as a lessor or as a lessee, revises the lease term if a change occurs in the non-cancellable period of the lease.

(a) When the Company is a lessee

The Company recognizes for all leases an asset with a right of use and a lease obligation at the inception of the lease. The asset is initially valued at the cost, which includes the amount of the initial recognition of the lease liability, any lease payments made at the inception or prior to the inception of the lease less any lease incentives received, any initial direct costs and the assessment of liability for any restoration costs of the asset.

After the initial recognition, the asset with the right of use is valued at the cost reduced by any accumulated depreciation and amortisation and impairment losses and adjusted at any reassessment of the lease liability.

The asset with the right of use is depreciated by the straight-line method until the end of its useful life or according to the duration of the lease period, depending on which date precedes. Assets with the right of use shall be examined on each date of preparation of the financial statements for indication of impairment and if they have been impaired, they shall be adjusted to their recoverable value with an equal charge on the profit or loss (note 2.7)

For short-term leases (the term of the lease at the commencement date of the lease term is equal to 12 months or less) and the leases in which the underlying asset has a low value (less than EUR 5,000 when it is new) the Company shall not recognise assets with the right to use and lease liability, while on the contrary it recognizes the rents of these leases as costs on a straight-line basis over the lease term.

The lease liability is initially calculated as the present value of the leases that are unpaid on that date, less any lease incentives receivable. Leases consist of rent payments for fixed leases and variable leases that depend on an index (for example, CPI) or an interest rate and are discounted by the incremental borrowing rate of the lessee.

The Company, in order to discount the remaining future rents, uses the incremental borrowing rate (IBR) which it determines by using as reference rate the interest rate of the secured lending of the Alpha Bank Company,

making adjustments for the different currencies and taking into account the government bond yields, where applicable.

After the date of commencement of the lease term, the lease liability is reduced with the payments of the leases, increases with the financial expense and is reassessed for any reassessments or modifications of the lease.

In accordance with the policy the Company chose to implement, the asset with the right of use is recognized in the Tangible Fixed Assets and the lease liability in the other liabilities.

(b) When the Company is a lessor

When the risks and benefits that accompany the ownership of the leased fixed assets are transferred to the lessee, then the respective agreements are characterized as financial leases.

All other lease agreements are classified as operating leases.

Depending on the characteristics governing the lease agreements, their accounting treatment is as follows:

Financial leases: In the case of leasing contracts, in which the Company operates as a lessor, the total amount of leases provided for in the lease contract is entered in the category of loans and receivables from customers. The difference between the present value (net investment) of the rents and the total amount of the rents is recognized as non-accrued interest and appears deductible to the receivables. Rent receipts reduce the total rent receivable, while the financial income is recognized on an accrual basis method. Finance lease receivables are reviewed for impairment.

Operating leases: In the case of operating leases, the Company operating as a lessor monitors the leased fixed asset as an Asset, making depreciation based on its useful life. The amounts of the leases, corresponding to the use of the leased fixed asset (less the value of any incentives provided to the lessee) are recognized as revenue, in the category of revenue from property rental, using the fixed amount method during the lease. Rent guarantees collected at the beginning of a contract are recognized as a liability.

It is noted that all lease agreements concluded by the Company are characterized as operational

2.9 Revenue

The Company's revenue is valued at the fair value of the price received or receivable, net of Value Added Tax, taking into account any kind of discount provided, as well as any refunds.

In the Company's sales, the transaction price is in the form of cash or cash equivalents and the amount of revenue is that of cash or cash equivalents, received or receivable. As the credits given by the Company extend within its operating cycle, the nominal (invoiced) value is equal to the fair value.

The revenue of the Company derives from the provision of services and more specifically from transaction clearing (acquiring). This revenue represents the fee paid by traders, as a percentage of the transaction value. These fees are recognized as revenue on the day of clearing the transaction and include interbank commissions (Interchange Fees to card issuing banks and scheme fees to MasterCard, Visa, Diners, China Union Pay)

2.10 Interest income and expenses

Interest income and expenses are recognized in the profit or loss for all interest-bearing financial assets and liabilities. Their recognition is on an accruals' basis and their determination using the effective interest method. Effective is an interest rate that accurately discounts future cash payments or collections for the expected lifetime of the financial asset or liabilities in the gross carrying amount of a financial asset of the asset or at the undepreciated cost of a financial asset of the liabilities. During the calculation of the effective interest rate, the Company estimates the cash flows taking into account all the contractual conditions governing the financial instrument but does not take into account the expected credit risk losses. The calculation shall include all revenue and expenses that form an integral part of the effective interest rate.

2.11 Definition of related parties

According to IAS 24, related parties for the Company are considered to be:

(a) its parent company NEXI S.p.A. and:

- (i) subsidiaries;
- (ii) joint ventures;
- (iii) associates

(b) Alpha Bank S.A.

- (i) subsidiaries;
- (ii) joint ventures;
- (iii) associates

(c) natural persons belonging to the key management personnel and their close relatives. The key management personnel consists of all the members of the Board of Directors of the Company, the members of the Board of Directors, while their close relatives are considered to be the spouses and persons with whom the related parties live together as well as their first-degree relatives and their or their spouses dependants

In addition, the Company notifies transactions and existing balances with companies, in which the above persons exert control or joint control. In particular, this notification relates to the holdings of the above persons in companies with a percentage of more than 20%.

2.12 Financial risk management

The main risks arising from the financial instruments of the Company are liquidity risk and credit risk. The Company, as a Paying Institution, is supervised by the Bank of Greece. The calculation of the capital adequacy of the company is based on the European Directives 2015/2366 and 2009/110. For the 2023 fiscal year, the Company has regulatory capital equal to € 15.044.502. whereas the required capital is € 4.440.980. The Company submits to the Bank of Greece every six months the report of Capital Requirements and Solvency Ratio of Payment Institutions. The Board of Directors examines and approves principles for the management of each of these risks, which are summarized below:

i. Credit risk:

The credit risk assumed by the Company arises from the “Cash and Cash Equivalents” account, amounting to EUR 24.748.293, held by ALPHA BANK, which, for the purpose of credit risk rating, ALPHA BANK is classified as B, according to the International Credit Rating Agency Standard & Pools.

ii. Liquidity risk:

Monitoring of liquidity risk focuses on managing the timing of cash flows and ensuring adequate cash to cover current transactions.

The company has adequate cash to meet its operational needs.

The following table summarizes the maturity dates of financial liabilities of the Company shown in the Balance Sheet, at discounted prices, based on payments arising from the relevant loan agreements or agreements with suppliers.

| (amounts in Euro) | Less than 1 year | 1-5 Years | Over 5 Years | Total |
|---------------------------------|--------------------|----------------|--------------|--------------------|
| Suppliers and Other Liabilities | 129.403.696 | 0 | 0 | 129.403.696 |
| Leasing and Loans | 89.116 | 777.964 | 0 | 867.079 |
| Other sort term Liabilities | 31.690.294 | 0 | 0 | 31.690.294 |
| Total | 161.183.106 | 777.964 | 0 | 161.961.069 |

(A) They relate to balances on liabilities 31.12.2023 as recognized in the respective Financial Position Statements valued at amortized cost. The “Suppliers and other liabilities” item does not include “Insurance bodies” , “Liabilities from taxes - duties” and “Costs of fiscal year accrued” of note 12.

(B) The lease liabilities relate to the lease of the Company’s registered offices. For detailed information please refer to note 11.

3. Intangible Assets

In its Intangible assets the company includes software purchases as well as the goodwill from the separation of the sector from Alpha Bank SA

3 Intangible Assets

| (amounts in Euro) | <u>Goodwill</u> | <u>Merchant Contracts</u> | <u>Software</u> | <u>Total</u> |
|--|---------------------|-------------------------------|------------------|---------------------|
| Acquisition Cost 31.12.2022 | 296.750.569 | 0 | 376.931 | 297.127.500 |
| Increase 2023 | 0 | 47.574.568 | 1,631,009 | 49.205.577 |
| Forecasting (chargeback provisions) | 6.300.000 | 0 | | 6.300.000 |
| MTransfers 2023 to Merchant contracts | (47.574.568) | 0 | 0 | (47.574.568) |
| Acquisition Cost 31.12.2023 | 255.476.001 | 47.574.568 | 2.007.940 | 305.058.509 |
| Accumulated Depreciation 31.12.2022 | 0 | 0 | (16.750) | (16.750) |
| Depreciation 2023 | 0 | (3.795.325) | (160.329) | (3.955.654) |
| Decrease Depreciation 2023 | (22.082.694) | 0 | 0 | (22.082.694) |
| Accumulated Depreciation 31.12.2023 | (22.082.694) | (3.795.325) | (177.079) | (26.055.098) |
| Net Book Value 31.12.2022 | 296.750.569 | 0 | 360.181 | 297.110.750 |
| Net Book Value 31.12.2023 | 233.393.307 | 43.779.242 | 1.830.861 | 279.003.411 |

The measurement of the assets of the branch merger had not been finalized at the end of the previous accounting period (31.12.2022), and was finalized on June 30, 2023, which was also the end of the 12-month period. From this measurement exercise, the asset of contracts with traders emerged and was separately separated from Goodwill. These contracts were recognized at their fair value (47.6 million) on the date of their acquisition (1/7/2022) and are then amortized equally over their useful life (as of 31/12/2023: 16.5 years) .

During the measurement of the assets and liabilities, the obligation to recognize a provision for possible losses arising from disputes in the customer sector transactions also arose. This amount initially amounted to 6.3 million and is recalculated every reporting period (see related Note 5).

The accounting value of Goodwill on 31.12.2023 was reduced to the recoverable amount with the recognition of a relative impairment amounting to 22m. This loss has been included in other profits and losses for the year (Note 19). The Company reviews the recoverable amount of Goodwill annually. From the exercise carried out for the year 2023 and prepared by KPMG Italy, the recoverable value was determined as the maximum between the fair value and the value in use calculations which require the use of significant assumptions. The calculations take into account estimates of future cash flows based on the Company's business plan, which was approved by its management, and concerns a period of 10 years. The key assumptions are listed below:

Trading volume (% annual growth): 6.4. Refers to the average annual growth rate over the 10-year period, which is based on past returns and management's estimates of future market performance.

Trading revenue (% annual growth): 8.0. It refers to the average annual growth rate over the 10-year period, which is based on current industry trends and includes inflationary increases.

Estimated EBITDA margin (%): 70.9. It is based on management's estimates of the Company's future performance.

Long-term growth rate (%): 1.6. It refers to the expected average annual growth rate used to estimate future cash flows beyond 10 years, and is consistent with relevant country and industry estimates.

Discount rate (%): 10.1. It refers to the weighted average cost of capital which reflects risks and risks of the Company's country of operation.

This exercise resulted in an impairment of 22.1m, which is mainly due to the increase in the weighted average cost of capital. No other assets of the Company other than Goodwill need to be impaired.

4. Tangible Fixed Assets

The tangible fixed assets of the Company are broken down as follows:

4 Tagible Assets

(amounts in Euro)

| | Furniture and Other Equipment | Buildings and Installations in Third parties buildings | Total |
|--|--|---|-----------------|
| Acquisition Cost 31.12.2022 | 197.332 | 291.398 | 488.730 |
| Increase 2023 | 22.462 | 20.291 | 42.753 |
| Sales-Decreases 2023 | 0 | 0 | 0 |
| Acquisition Cost 31.12.2023 | 219.794 | 311.689 | 531.482 |
| Accumulated Depreciation 31.12.2022 | (379) | (11.488) | (11.868) |
| Depreciation 2023 | (13.611) | (31757) | (45.368) |
| Decrease Depreciation 2023 | 0 | 0 | 0 |
| Accumulated Depreciation 31.12.2023 | (13.991) | (43.245) | (57.236) |
| Net Book Value 31.12.2022 | 196.952 | 279.910 | 476.862 |
| Net Book Value 31.12.2023 | 205.803 | 268.444 | 474.247 |

5. Customers and other Receivables

The company as a Payment Institution to its customers mainly monitors the receivables from the merchant payments as well as the receivables from the Schemes (VISA-MASTERCARD-DINERS etc.)

The breakdown of the balance is as follows:

Customers and other receivables

| <i>(amounts in Euros)</i> | <u>31.12.2023</u> | <u>31.12.2022</u> |
|---------------------------------|--------------------------|--------------------------|
| Customers | 167.374.196 | 178.956.096 |
| Provision for bad customer debt | (7.540.461) | (2.869.725) |
| Net Customer Receivables | 159.833.734 | 176.086.371 |
| Advances to suppliers | 127.833 | 120.927 |
| Accrued revenue | 1.622.744 | 562.449 |
| Other demands | 391.636 | |
| Prepaid expenses | 182.012 | 341.733 |
| Total | 162.157.959 | 177.111.481 |

The customer risk provisions amounting to Euro 7.540.461 are analyzed as follows: The amount of 2.715.062 refers to the customer risk provision from the balance sheet of the spin-off of the sector from Alpha Bank on 30/06/2022. The amount of 425.399 refers to a provision that has been calculated on the open customer balances as of 31/12/2023 and the amount of 4.400.000 concerns a provision for possible losses that will arise from transaction disputes. The initial provision which was calculated during the measurement of the assets and liabilities of the merger of the branch on 30/06/2023 was 6.300.000 which was reflected directly in the net position and was recalculated on 31/12/2023 at 4.400.000.

6. Cash and cash equivalents

Cash and cash equivalents

| <i>(amounts in Euros)</i> | <u>31.12.2023</u> | <u>31.12.2022</u> |
|--|--------------------------|--------------------------|
| Sight deposits in Euro in Alpha Bank | 24.747.729 | 9.070.653 |
| Sight deposits in Euro in Piraeus Bank | 564 | 614 |
| Total | 24.748.293 | 9.071.267 |

All cash and cash equivalents of the Company are in euros. For the purpose of credit risk rating, ALPHA BANK is classified as B, according to the International Credit Rating Agency Standard & Poors.

The main financial instruments of the Company consist of short-term deposits.

The main purpose of these financial instruments is to provide financing for its operations. The Company policy, during the year, was, and still is, not to engage in the trading of financial instruments.

7. Share capital and Share premium

(i) Share capital

The share capital of the Company as at 31.12.2023 amounts to EUR 63,364,470.00 divided into 6,336,447 common fully paid registered voting shares, with a nominal value of EUR 10.00 each

Share capital and share premium

| | | |
|---------------------------|--------------------|--------------------|
| <i>(amounts in Euros)</i> | <u>31.12.2023</u> | <u>31.12.2022</u> |
| Share capital | 63.364.470 | 63.364.470 |
| Share premium | 249.083.623 | 249.083.623 |
| Total | 312.448.093 | 312.448.093 |

| | Number of shares | Nominal value | Share capital | Above par |
|---|---------------------|------------------|-------------------|--------------------|
| <i>(amounts in Euros)</i> | | | 0.00 | |
| Balance 15.11.2021 | 0 | 0.00 | 1.000.000 | 0.00 |
| Founding share capital | 100.000 | 10 | 1.000.000 | 0.00 |
| Balance 31.12.2021 | 100.000 | 10 | 61.364.470 | 0.00 |
| Capital increase with industry absorption | 6.136.447 | 10 | 1.000.000 | 245.088.623 |
| Capital increase in cash | 100.000 | 10 | 63.364.470 | 3.995.000 |
| Balance 31.12.2022 | 6.336.447 | 10 | 0.00 | 249.083.623 |

8. Other Reserves

(i) Statutory Reserve:

The company is required under Greek commercial law to retain a minimum of 5% from its net annual accounting profits as a statutory reserve. Withholding shall cease to be obligatory when the total of the statutory reserve exceeds one third of the paid share capital. This reserve, which is taxed, cannot be distributed throughout the length of life of the Company and is intended to cover any debit balance of the profit and loss account. The Company did not make profits after income tax so it did not calculate Statutory Reserve.

(ii) Profit or loss brought forward:

In the third (3rd) fiscal year that ended on December 31, 2023, the Company made a loss after income tax of €1,262,141.

(iii) Dividend distribution:

Under Greek commercial law, companies are required to pay an annual dividend. Specifically, 35% of the net profits is distributed as a dividend, after income tax and after the statutory reserve is formed and the credit lines of the profit or loss statement that do not consist realised profits are deducted (Art. 160 & Art. 161 of Law 4548/2018). However, it is also possible to derogate from the aforesaid in the event of approval by the General Meeting of Shareholders in accordance with the provisions of Art. 161 of Law 4548/2018. Share dividends are recognised as a liability in the fiscal year they are approved by the General Meeting of the Company shareholders. In 2023, for the year 2022, a dividend of 1,388,526.60 euros was distributed, for which the company was taxed with the amount of 391,636 euros.

Other reserves

| <i>(amounts in Euros)</i> | <u>31.12.2023</u> | <u>31.12.2022</u> |
|------------------------------|--------------------------|--------------------------|
| Reserve from actuarial gains | 14.728 | 17.691 |
| Deferred tax on the reserve | (3.240) | (3.892) |
| Statutory from stock options | 1.567 | 0 |
| Statutory Reserve | 73.407 | 73.407 |
| Total | 86.462 | 87.206 |

9. Provision for compensation of personnel

The charge of the comprehensive income statement from the cost of provision for personnel retirement compensation is broken down as follows:

| | <u>31.12.2023</u> | <u>31.12.2022</u> |
|--|--------------------------|--------------------------|
| Current service cost | 17.409 | 1.255 |
| Loss/(profit) at settlement/ cut/ maturity | 0 | 0 |
| Total | 17.409 | 1.255 |
| Financial costs | 1.405 | 207 |
| Revaluation of loss/ (profit) recognised in other comprehensive income | 2.963 | (17.691) |
| Overall impact on the comprehensive income statement | 21.778 | (16.228) |

| | <u>31.12.2023</u> | <u>31.12.2022</u> |
|---|-------------------|-------------------|
| Defined benefit obligation recognized in the statement of financial position at the beginning of the fiscal year | 35.578 | 0 |
| Current service cost | 17.409 | 1.255 |
| Interest cost | 1.405 | 207 |
| Actuarial losses/(profits) from financial assumptions | 356 | 0 |
| Actuarial losses/(profits) from service assumptions | 2.963 | (17.691) |
| Adjustment to a statement of financial position due to transfer of employees with recognition of length of service | (6.259) | 51.807 |
| Defined benefit obligation recognised in the statement of financial position at the end of the fiscal year | 51.453 | 35.578 |

10. Deferred tax liabilities

Deferred tax liabilities

| (amounts in Euros) | <u>31.12.2023</u> | <u>31.12.2022</u> |
|--------------------------|-------------------|-------------------|
| Deferred tax liabilities | 5.948.367 | 3.576.198 |
| Deferred tax assets | (1.682.426) | (633.914) |
| Total | 4.265.942 | 2.942.284 |

The deferred tax liabilities of the company are broken down as follows

| | <u>Receivables</u> | <u>Liabilities</u> | <u>Total</u> |
|----------------------------------|--------------------|---|--------------------|
| | Provisions | Difference in depreciation and amortization of intangible assets | |
| Balance 31.12.2022 | 630,022 | (3.572.306) | (2,942,284) |
| Statement of profit or loss 2023 | 1.047.860 | (2.372.170) | (1.324.310) |
| Other comprehensive income | 652 | 0 | 652 |
| Balance 31.12.2023 | 1.678.534 | (5.944.475) | (4.265.942) |

The total change in deferred income tax is as follows:

| | |
|--|--------------------|
| Balance 31.12.2022 | (2.942.284) |
| Impact on 2023 profit or loss | (1.324.310) |
| Deferred tax on other comprehensive income | 652 |
| Balance 31.12.2023 | (4.265.942) |

11. Leases

The Company has entered into a private lease agreement with Alpha Bank for the property in which its headquarters are housed. In addition, it has entered into a lease with Lease Plan for company cars.

The total cash outflow for leases during the 2023 fiscal year amounted to EUR 163.957, which includes a capital repayment of EUR 154.784 and interest of EUR 9.762. Interest expenses on lease liabilities charged to the Profit or loss of the fiscal year that ended on 31 December 2023 have been included in the line “Interest Expenses”.

The total lease liabilities recognised by the Company during the 2023 fiscal year are as follows:

| <i>(amounts in Euro)</i> | Rights of Use Buildings | Right of Use Cars | Total |
|--|------------------------------------|------------------------------|------------------|
| Acquisition Cost 31.12.2022 | 990.041 | 0 | 990.041 |
| Increase 2023 | 0 | 96.639 | 96.639 |
| Sale-Decreases 2023 | 0 | 0 | 0 |
| Acquisition Cost 31.12.2023 | 990.041 | 96.639 | 1.086.680 |
| Accumulated Depreciation 31.12.2022 | (84.438) | 0 | (84.438) |
| Depreciation 2023 | (139.909) | (14.286) | (154.195) |
| Depreciation decrease | 0 | 0 | 0 |
| Accumulated Depreciation 31.12.2023 | (224.346) | (14.286) | (238.632) |
| Net Book Value 31.12.2022 | 905.603 | 0 | 905.603 |
| Net Book Value 31.12.2023 | 765.694 | 82.353 | 848.048 |

Lease Liabilities

| | |
|---------------------------|----------------|
| Balance 31.12.2022 | 915.462 |
| Increase | 96.639 |
| Interest | 9.762 |
| Payments | (154.784) |
| Balance 31.12.2023 | 867.079 |
| Which | |
| Short Term | 89.116 |
| Long Term | 777.964 |
| | 867.079 |

12. Suppliers and Other Liabilities

| <i>(amounts in Euros)</i> | 31.12.2023 | 31.12.2022 |
|---------------------------------|--------------------|--------------------|
| Suppliers | 2.404.225 | 2.274.710 |
| Trade liabilities | 126.921.217 | 143.048.536 |
| Liabilities from taxes - duties | 181.751 | 77.018 |
| Insurance bodies | 133.183 | 91.164 |
| Liabilities to staff | 34.268 | 6.897 |
| Sundry accounts payable | 0 | 0 |
| Costs of fiscal year accrued | 6.624.177 | 5.032.984 |
| Total | 136.298.820 | 150.531.310 |

13. Short-term loans**Short-term loans - overdraft line**

| <i>(amounts in Euros)</i> | <u>31.12.2023</u> | <u>31.12.2022</u> |
|-----------------------------------|--------------------------|--------------------------|
| Short-term loans - overdraft line | 31.690.294 | 16.340.502 |
| Total | 31.690.294 | 16.340.502 |

14. Revenue

The Company revenue is broken down as follows:

| <i>(amounts in Euros)</i> | 01.01-31.12.2023 | 01.01-31.12.2022 |
|---|-------------------------|-------------------------|
| Supplies from DCC payment transactions | 2.715.981 | 965,094 |
| Supplies from payment transactions to traders | 117.508.947 | 59,433,922 |
| Other supplies | 4.248.886 | 2,916,567 |
| Total | 124.473.814 | 63,315,582 |

The revenue of the Company derives from the provision of services and more specifically from transaction clearing (acquiring). This revenue represents the fee paid by traders, as a percentage of the transaction value. These fees are recognized as revenue on the day of clearing the transaction and include interbank commissions (Interchange Fees to card issuing banks and scheme fees to MasterCard, Visa, Diners, China Union Pay)

15. Cost of interbank transactions

The cost of interbank transactions of company is broken down as follows:

| <i>(amounts in Euro)</i> | 01.01-31.12.2023 | 01.01-31.12.2022 |
|--------------------------|-------------------------|-------------------------|
| IRF VISA | 18.368.790 | 9.350.471 |
| IRF Mastercard | 32.578.598 | 16.204.395 |
| IRF China Union Pay | 226.774 | 57.647 |
| IRF Alpha Bank | 5.295.504 | 2.862.983 |
| Scheme Fees | 28.419.569 | 11.179.196 |
| Total | 84.889.234 | 39.654.692 |

16. Direct cost of sales

Direct cost of sales are broken down as follows:

| <i>(amounts in Euro)</i> | 01.01-31.12.2023 | 01.01-31.12.2022 |
|--------------------------|-------------------------|-------------------------|
| Acquiring Expenses | 15.915.121 | 8.782.615 |
| POS Expenses | 1.885.271 | 428.678 |
| Other Costs | 1.826 | 6.215 |
| Total | 17.802.218 | 9.217.508 |

17. Personnel Remuneration and Expenses

The company employed a total of 61 people for the year 2023. Personnel Remuneration and Expenses are broken down as follows:

| <i>(amounts in Euro)</i> | 01.01-31.12.2023 | 01.01-31.12.2022 |
|--------------------------|-------------------------|-------------------------|
| Salaries | 2.849.957 | 946.581 |
| Employer contributions | 514.780 | 205.610 |
| Other benefits | 490.184 | 133.288 |
| Other Provisions | 45.198 | 13.163 |
| Total | 3.900.119 | 1.298.643 |

18. Administrative and Distribution Costs

The Administrative and Distribution Costs are broken down as follows:

| <i>(amounts in Euro)</i> | 01.01-31.12.2023 | 01.01-31.12.2022 |
|------------------------------------|-------------------------|-------------------------|
| Third parties expenses | 3.734.004 | 3.640.122 |
| Postage expenses | 319.669 | 306.550 |
| Telecommunication expenses | 31.904 | 22.842 |
| Rental expenses | 24.243 | 8.984 |
| Insurance premiums | 36.110 | 7.427 |
| Repairs and maintenance | 126.619 | 630.254 |
| Energy-Water supply | 27.368 | 36.389 |
| Other third party services | 1.622 | 946 |
| VAT non-deductible | 5.424.197 | 2.918.456 |
| Other taxes fees | 21.847 | 14.057 |
| Transportation and travel expenses | 59.770 | 13.985 |
| Reception and hospitality expenses | 19.201 | 25.349 |
| Advertising expenses | 657.019 | 456.095 |
| Subscriptions | 13.391 | 52.886 |
| Other Expenses | 726 | 0 |
| Stationery and other consumables | 2.692 | 8.790 |
| Donations | 5.000 | 0 |
| Cost of Risk | (1.629.264) | 154.663 |
| Total | 8.876.117 | 8.297.795 |

19. Other profit and loss

| <i>(amounts in Euro)</i> | 01.01-31.12.2023 | 01.01-31.12.2022 |
|--------------------------|-------------------------|-------------------------|
| Other Income | (2.313.331) | (18.399) |
| Impairment of goodwill | 22.082.694 | 0 |
| Other Loses | 866.062 | 31.633 |
| Total | 20.635.425 | 13.234 |

The company, after preparing the revision of the ten-year business plan, proceeded in collaboration with KPMG of Italy to prepare the exercise for the impairment of goodwill for 2023 and the result of the exercise was to proceed with the impairment of goodwill with the amount of 22,082,694 euros, which was entered in the income statement.

20. Financial expenses

| <i>(amounts in Euro)</i> | 01.01-31.12.2023 | 01.01-31.12.2022 |
|------------------------------------|-------------------------|-------------------------|
| Interest on an open line of credit | 1.348.684 | 297.900 |
| Interest on lease liabilities | 22.189 | 12.427 |
| Other financial expenses | 6.944 | 3.935 |
| Total | 1.377.817 | 314.262 |

21. Income tax

By Article 120 of Law 4799/2021 “Incorporation of Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU, as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (L 150), incorporation of Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (L 150), by amending Article 2 of Law 4335/2015, and other urgent provisions”, the income tax rate of legal persons and legal entities, for the income of the tax year 2022 onwards is fixed at 22%. With explicit reference to the law, this reduction does not apply to credit institutions for which the tax rate is still 29%.

Article 119 of the same law provides for a reduction of eighty percent (80%), from one hundred percent (100%) in force, of the rate of advance payment of income tax of legal persons and legal entities. The above applies to the advance payment of tax certified by the income tax return for the tax year 2021 and following years.

With Article 20 of Law 4646/12.12.2019 “Tax reform with development dimension for the Greece of tomorrow”, the income resulting from the goodwill of the of equity instruments to a legal person - tax resident - of an EU member state which is collected by a legal person who is a tax resident of Greece, is exempted from income tax, if the legal person whose instruments are transferred meets the conditions laid down by law. These revenues are not taxed at the time of distribution or capitalization of these profits. Any holding valuation losses recognized until 31.12.2019 are deductible from gross revenues at the time of their transfer. The provision applies to revenues obtained from 1.7.2020 onwards.

Furthermore, Article 24 of Law 4646/12.12.2019 for the dividends paid from 1.1.2020 onwards, the withholding tax rate is reduced to 5% from 10%.

The income tax entered in the profit and loss account is broken down as follows:

Income tax

The analysis of the Income Tax of the Statement of profit or loss is as follows:

| | <u>01.01-31.12.2023</u> | <u>01.01-31.12.2022</u> |
|---------------------|-------------------------|-------------------------|
| Current income tax | 0 | 0 |
| Deferred income tax | (1.324.310) | (2.938.392) |
| Total | (1.324.310) | (2.938.392) |

The current income tax is zero because the Company's results on the tax base (Law 4172/2013, POL. 1073/31.3.2015) are loss-making due to the amortization of goodwill over a period of ten (10) years (Law 4172/2013 & 4308/2014). The tax corresponding to the profit or loss before tax of the Company differs from the amount that would have arisen if the applicable tax rate of the Company were applied, as follows:

| | <u>01.01-31.12.2023</u> | <u>01.01-31.12.2022</u> |
|--|-------------------------|-------------------------|
| Profit (losses) before taxes | (16.020.294) | 4.406.531 |
| Tax attributable based on a tax rate of 22% (2021: 24%) | 3.524.465 | (969.437) |
| Non-recognition of deferred tax claim on temporary differences | 0 | (19.535) |
| Non-recognition of deferred tax claim on temporary differences | 0 | 0 |
| Tax attributable to permanent accounting differences | 0 | 0 |
| Other adjustments | (4.848.774) | (1.949.420) |
| Income tax of fiscal year | (1.324.310) | (2.938.392) |

The deferred income tax is calculated on the temporary differences between the carrying amount and the tax base of the assets and liabilities. However, if a difference between a carrying amount and a tax base results in the creation of a deferred tax asset, it is recognized only to the extent that it is likely that there will be future taxable profits against which the asset can be offset. The Company calculated the deferred taxation on the basis of the corresponding rates that are expected to apply at the time of its settlement. Deferred tax assets for tax losses carried forward are recognized to the extent that the realization of future tax profits is possible.

22. Transactions of related parties

The Company belongs to the NEXI S.p.A. Group with the distinctive title "Nexi S.p.A.", with a percentage of 90.01% and to Alpha Bank SA with a percentage of 9.99%. The Company's transactions during the 2023 fiscal year, as well as the balances of receivables and liabilities with related undertakings in the Balance Sheet of 31.12.2023 are as follows:

The purchase of goods and services by the Alpha Bank Group also includes the lease of the Company's registered offices. For detailed information please refer to note 11.

2022

| Intercompany | Sales of Goods And Services | Financial expenses | Purchases of Goods And Services | Receivables | Payables |
|-------------------------------|--------------------------------|--------------------|------------------------------------|------------------|-------------------|
| <i>(amounts in Euro)</i> | | | | | |
| Nexi SpA | - | - | 57.973 | - | 57.973 |
| Alpha Bank Group | - | 313.694 | 4.480.543 | 9.095.353 | 18.232.742 |
| Nexi Processing Services S.A. | 6.220 | - | 5.334.038 | - | 1.833.206 |
| | 6.220 | 313.694 | 9.872.553 | 9.095.353 | 20.123.921 |

2023

| Intercompany | Sales of Goods And Services | Financial expenses | Purchases of Goods And Services | Receivables | Payables |
|------------------------------|--------------------------------|--------------------|------------------------------------|------------------|------------------|
| <i>(amounts in Euro)</i> | | | | | |
| Nexi SpA | - | - | 59.453 | - | 59.453 |
| Nexi Payments SpA | - | - | 117.080 | - | 115.000 |
| Alpha Bank Group | 1.214.419 | 1.374.549 | 8.234.927 | 1.021.949 | 2.375.788 |
| Nexi Processing Services SA. | 290.291 | - | 10.093.383 | 202.539 | 1.434.547 |
| | 1.504.710 | 1.374.549 | 18.504.843 | 1.224.488 | 3.984.788 |

23. Remuneration of Audit Firms

The remunerations of the Certified Public Accountants per fiscal year, according to the provisions laid down in points 2 and 32 of Article 29 of Law 4308/2014, are broken down as follows:

| | |
|---------------------------------------|-------------------|
| | 31.12.2023 |
| For the audit of financial statements | 85.000 |
| Fees related to tax certificates | 45.000 |
| Remuneration for non-auditing firms | 50.000 |
| Total | 180.000 |

24. Contingent Liabilities and Commitments

(a) Legal Issues

There are no pending cases which are expected to have a significant impact on the financial position of the Company.

(b) Taxation

The Company was established on 15.11.2021, so it has not been tax audited.

25. Capital Adequacy

The Company, as a Paying Institution, is supervised by the Bank of Greece. The calculation of the capital adequacy of the company is based on the European Directives 2015/2366 and 2009/110. For the 2023 fiscal year, the Company has regulatory capital equal to € 15.044.502, whereas the required capital is € 4.440.980. The Company submits to the Bank of Greece every six months the report of Capital Requirements and Solvency Ratio of Payment Institutions.

26. Events after the balance sheet date

No other events have occurred since the reporting date, which have a significant impact on the financial statements

Athens, 05 March 2024

The Chairman of
Board of Directors

The Managing Director

The Accounting Manager

The Chief Financial Officer

Monica Coppo
ID CARD NO. CA86183KI

Eugenio Tornaghi
PASS. NUM. YB1451162

Ermioni Pappa
ID CARD NO. AI 529497
License No. 0122045-A Class

Vasileios Rountis
ID CARD NO. AK 040394