

**ANNUAL REPORT
AND ACCOUNTS
2023**

easypay

simple

Seth

Index

I – MANAGEMENT REPORT:

- a) The evolution of the company's management during the financial year 2023, particularly in what concerns market conditions, investments, costs, income and R&D activities;
- b) Relevant facts occurring after the end of the financial year;
- c) The company's foreseeable future development;
- d) The number and nominal value of own shares purchased or sold during the period, the fraction of the subscribed capital they represent, the reasons for these acts and respective price, as well as the number and nominal or book value of all own shares held at the end of the period;
- e) A duly substantiated proposal for the application of results;
- f) The existence of company's subsidiaries;
- g) The company's financial risk management objectives and policies, including hedging policies for each of the main categories of transactions for which hedge accounting is used, and the company's exposure to price, credit, liquidity, and cash flow risks, when materially relevant to the assessment of assets and liabilities, financial position, and results, in relation to the use of financial instruments.
- h) Other matters.

In compliance with the legal provisions in force, **easypay**'s Board of Directors presents its management report and financial statements for the financial year ended at 31 December 2023.

INTRODUCTION

easypay is a payment institution licensed and supervised by the Bank of Portugal authorized to provide payment services in all SEPA countries.

easypay is a benchmark company in the domestic B2B payment services market, enabling companies and individual entrepreneurs to receive their payments through a single platform and several payment instruments, such as ATM references, MB Way, SEPA Direct Debit, Credit Cards such as Visa and Mastercard, Santander Consumer Finance and Universo Flex, contributing with innovative, flexible and simple solutions for the growth of its customers' businesses, as well as providing consultancy services for all types of companies that are looking for the best solution to manage and receive its business payments, by presenting customized solutions.



In 2023, **easypay** identified several market opportunities and focused on its innovation strategy, leading to reinforce its commitment to new plugins for e-commerce platforms such as VTEX and WIX, and new plugins for invoicing software, such as Cegid Primavera. In addition, a new payment solution - Pay by Link - was launched with the aim of facilitating invoice collection (contributing to the digitization of payments in offline businesses) and for small businesses.

- a) The evolution of the company's management during 2023 financial year, especially in what concerns market conditions, investments, costs, income, and R&D activities

THE MARKET

In 2023, the market of payment services has continued to evolve and adapt to technological changes as well as to the needs of trade and consumers. E-commerce has continued to grow significantly, driven by the importance/convenience and security of online shopping, and there was also an accelerated growth in the adoption of digital payments in all business areas (in online and offline businesses). There was also a growth in platforms and systems with the integration of payment solutions, which have boosted fintech businesses.

There was also a growth in the use of digital wallets, which reduce friction in payment and reduce the abandonment rate of shopping carts, essential elements in e-commerce businesses.

THE COMPANY'S ACTIVITY

Full year 2023 was characterized by a commercial strategy focused on the growing number of different means of payment used by traders, offering a more flexible payment experience, which increased the consumer's level of satisfaction by having more payment alternatives, by being able to choose the one that best suits their preference. In this sense, a cross-selling effort has been made to include the most innovative payment methods, such as Buy Now Pay Later (Universo Flex) and Online Credit (Santander Consumer Finance) and Bank Transfer with Digital IBAN. The latter has been included in several invoicing software plugins with the aim of responding to one of the biggest needs in the market: simplification and reduction of time and effort in bank reconciliation (activities). In addition, new commercial partnerships have been developed with e-commerce agents, integrators and software companies (from various business areas), which made the use of **easypay** payment solutions a strong competitive advantage. The focus remained on attracting relevant customers through a more comprehensive payment solutions offering.

easypay has kept with its commitment to online commerce, by developing new plugins for e-commerce platforms such as VTEX, Wix, E-pages, and relaunching other plugins with innovative characteristics that follow the best standards in the market (e.g. Woocommerce).

In 2023, maintaining the strategy of innovation in the payment services market, **easypay** has launched Pay By Link, the payment plugin for excel/google sheets and other innovative solutions. In this context, **easypay** has

processed, during 2023, 5.5 million payment transactions corresponding to a transaction volume of approximately 398 million euros.

The company has maintained its strategy of developing an appropriate and consistent internal organization with the demands and best practices of the sector, with special emphasis on developing and investing in a unique technological capacity/capability within the Portuguese market, with the restructuring of the respective structure unit in terms of human resources and internal organization.

The war in Ukraine and the significant increase in inflation did not produce any relevant changes in the company's activity in 2023, neither are these expected to happen in year 2024.

Operating profit (EBIT) totaled 614 243,83 € and Net Profit for the year was of 462 356,41 €.

b) Relevant facts occurring after the end of the financial year

After the end of the financial year there are no relevant facts to be reported.

c) The company's foreseeable future development

In 2024, **easypay** will continue to invest in the use of its checkout solution applied to all invoicing software's and e-commerce applications, so that increasingly digital solutions simplify and ensure that companies have access to payment instruments most preferred by their clients, and that promote a reduction in payment friction and, in the case of e-commerce, a reduction in the shopping cart abandonment rate. In addition, the focus will be on simplifying integration, whether by API, **easypay** checkout or plugins and modules, being aware that it is one of the greatest competitive advantages that a fintech can have. **easypay** guarantees that its payment solutions are adapted to market needs, promoting business growth.

One of **easypay**'s missions is to continue accelerating the digital transition, identifying sectors and segments where it can be expanded. The aim is to ensure that Portugal remains at the forefront of digital transition.

d) A well-founded proposal for the appropriation of profits

As a result of successive years of positive results and notwithstanding the various investments made, **easypay** has a very positive equity situation totaling 1,365,339.30 euros, with the legal reserve fully constituted and essentially made up of cumulative positive results, fully complying with the requirements in terms of equity.

In this context, the Board of Directors proposes the following application of the net profit for the year:

- i) Distribution to shareholders of a total amount of 350,000.00 euros (three hundred and fifty thousand euros) as distribution of profits for the year.
- ii) Attribution to employees as a share in the company's profits, in accordance with the regime provided for in article 236 of the State Budget for 2024, approved by Law Nr. 82/2023, of December

29 and verifying that the nominal appreciation of fixed remuneration of the universe of **easypay** employees in 2024 is greater than 5%, by way of balance sheet bonus, the maximum gross global amount of € 65,000.00 (sixty-five thousand euros) and it is the responsibility of the management to define the individual amount to be allocated and paid to each employee.

iii) transfer to the retained earnings account of 47,356.41 euros (forty-seven thousand three hundred and fifty-six euros and forty-one cents).

It should be noted that even after the proposed distribution, the level of equity will be (recorded in) more than 900 thousand euros.

e) The existence of company's branches/subsidiaries

The company has no branches/subsidiaries, and all operations are centralized at its head office in Lisbon.

f) The number and nominal value of own shares acquired or sold during the period, the fraction of the subscribed capital they represent, the reasons for these acts and the respective price, as well as the number and nominal or book value of all own shares held at the end of the period.

The company does not hold any own shares, nor any transactions were carried out on own shares during 2023 financial year.

g) The company's financial risk management objectives and policies, including hedging policies for each of the main categories of forecast transactions for which hedge accounting is used, and the company's exposure to price, credit, liquidity, and cash flow risks, when materially relevant to the assessment of assets and liabilities, financial position, and results, in relation to the use of financial instruments. In terms of risks, especially financial risks, there is nothing to emphasize considering that the risk management policies are sufficient and adjusted to the characteristics of the activities carried out.

h) Other matters

The company has got no outstanding public debts or any debts to Social Security.

Finally, we would like to thank our customers, suppliers, and partners for their trust and for their interest in and contribution for the growth of **easypay**.



Sebastião de
Lencastre
Lisbon, 29th April 2024
The Board of Directors

STATUTORY AUDIT REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the attached financial statements of **Easypay - Instituição de Pagamento, Lda.** (the Entity), which comprise the balance sheet as at December 31, 2023 (which shows a total of EUR 9 515 983.89 and a total equity amount of EUR 1 365 339.30, including a net profit of EUR 462 356.41), the statement of income by nature, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes of the financial statements, which include a summary of significant accounting policies.

In our opinion, the attached financial statements present in a true and fair manner, in all material aspects, the financial position of **Easypay - Instituição de Pagamento, Lda.** as at December 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union.

Basis for opinion

Our audit was carried out in accordance with the International Auditing Standards (ISA) and other technical and ethical standards and guidelines issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section below. Under the terms of the law, we are independent of the Entity, and we comply with the other ethical requirements in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for:

- the preparation of the financial statements, which present truly and fairly the financial position, the financial performance and cash flows of the Entity in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union;
- the preparation of the Management/Director’s report in accordance with the applicable legal and regulatory terms;
- establishing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of appropriate accounting policies and criteria to the circumstances; and
- the assessment of the Entity’s ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity’s ability to continue its activities.



Auditor's responsibilities for the auditing of financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures that respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures, that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis and, based on the audit evidence obtained, whether there is any material uncertainty relating to events or conditions that may raise significant doubts about the Entity's ability to continue its activities. If we conclude that there is material uncertainty, we are required to draw attention in our auditor's report to the related disclosures included in the financial statements, or if those disclosures are not adequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue its activities;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves an appropriate presentation;
- communicate with those charged with governance, among other matters, the planned scope and timing of the audit and the significant conclusions of the audit including any significant disability in internal control that are identified during the audit.

Our responsibility also includes to verify that the information contained in the management report is consistent with the financial statements.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the management report

In compliance with Article 451.Q, n.Q 3, al. e) of the Commercial Companies Code, we are of the opinion that the management report has been prepared in accordance with the applicable legal and regulatory requirements in force, the information contained therein is consistent with the audited financial statements and, considering the knowledge and assessment about the Entity, no material inaccuracies were identified.

Lisbon, May 2, 2024

Cascais, Magro, Roque & Amaral, SROC Lda.

Represented by:

Pedro Nuno Ramos Roque, Income Tax
Nr. 828 Registered with the CMVM with
Tax Nr: 20160456



REPORT AND OPINION OF THE SUPERVISORY BOARD

Hon. Distinguished Members of
EASYPAY- Instituição de Pagamento, Lda.

In accordance with the legal and statutory provisions, we are required to submit to your appreciation the report and opinion on the accountability documents, presented by the Board of Directors/Management of **EASYPAY - Instituição de Pagamento, Lda.** (the Entity) for the financial year ended December 31, 2023, and comprising the Management Report, the Balance Sheet, the Statement of Income by Nature, the Statement of Changes in Equity, the Statement of Cash Flows and the corresponding Annex.

We examined the accounting records and documents, which were in good order, in compliance with the law and the statutes.

The assessment of the accountability documents and the Management Report allows us to conclude that the financial statements adequately reflect the Company's financial and equity situation as of December 31, 2023.

Thus, we are of the opinion that:

- a) The accounts presented by the Management deserve approval;
- b) The Management Report must also be approved.

Lisbon, May 2, 2024

Cascais, Magro, Roque & Amaral, SROC Lda. Represented

by

Pedro Nuno Ramos JOC., 828

Registered with the CMVM under nr.2: 20160456

EASYPAY - Instituição de Pagamento, LDA.

Financial Statements as at 31
December 2023

April 22, 2024

BALANCE SHEET

(Amount expressed in Euros)

Headings	Notes	31/12/2023	31/12/2022
ASSETS:			
Tangible fixed assets	6	139 345,44	163138,97
Intangible assets	7	255 622,60	149 022,97
Financial Investments – Equity Method	8.6	44 987,70	52154,47
Other non-current assets	8.7	10 606,47	9 925,30
		<u>450 562,21</u>	<u>374 241,71</u>
Current assets:			
Advance to suppliers 342,40	8.5		22
State and other public entities	8.2	154 344,19	143659,18
Other payables	8.3	30 405,37	77 387,75
Other current assets	4.1/8.1	143 351,92	70 457,53
Cash and cash equivalent	4.1	8 737	11 628 679,56
		<u>320,20</u>	
		9 065	11 942 526,42
		<u>421,68</u>	
		9 515	12 316 768,13
		983,89	
EQUITY:			
Share Capital 000,00	9	125 000,00	125
Legal reserves	9	25 000,00	25 000,00
Other reserves	9	639 226,24	632 364,16
Retained earnings	9	111129,39	13 833,40
Adjustments to financial assets	9	2 627,26	2 627,26
Net result for the period	9	<u>462 356,41</u>	<u>547 295,99</u>
		1365339,30	1 346120,81

Non-current assets:


ÓRGÃO DE GESTÃO

LIABILITIES:**Non-current liabilities:****Current Liabilities:**

Suppliers	8.5	105 127,34	174107,79
State and other public entities	8.2	286 997,83	312 294,07
Loans obtained	8.8	80 658,48	88 344,48
Other current payables	8.4	7 677 860,94	10 395 900,98
		8150 644,59	10 970 647,32
		8150 644,59	10 970 647,32
		9 515 983,89	12 316 768,13

THE CERTIFIED ACCOUNTANT

STATEMENTS OF PROFIT AND LOSS BY NATURE

(Amounts expressed in Euros)

Headings	Notes	31/12/2023	31/12/2022
Provision of services	10	4 086 998,74	3 896 920,92
Gains/losses attributed of subsidiaries, associated companies and joint ventures	8.6	(7166,77)	7 944,27
Supplies and services	11	(2 046 557,95)	(2 040 119,60)
Personnel costs	12	(1 334 359,44)	(1 031 214,37)
Other Income	13	14 716,76	12 842,92
Other Expenses	14	(12 217,43)	(33 600,83)
Earnings before interests, taxes, depreciation and amortization (EBITDA)		<u>701 413,91</u>	<u>812 773,31</u>
Expenses/reversals of depreciation and amortization	15	(87 170,08)	(82 606,45)
Operational Earnings (before interests and taxes) (EBIT)		<u>614 243,83</u>	<u>730 166,86</u>
Interests and similar expenses incurred	16	(967,62)	(497,75)
Earnings before taxes (EBT)		<u>613 276,21</u>	<u>729 669,11</u>
Income tax for the period	17	(150 919,80)	(182 373,12)
Net result for the period		<u>462 356,41</u>	<u>547 295,99</u>

THE CERTIFIED
ACCOUNTANT

THE BOARD OF DIRECTORS



206395299
15886

EASYPAY- Instituição de Pagamento, LDA.

Financial Statements as at December 31, 2023 (Amounts in Euros)

STATEMENT OF CHANGES IN EQUITY IN 2022

(Amounts expressed in Euros)

Headings	Capital	Reserves	reserves	Paid-up Legal Other Retained Adjustments in Net Income earnings	Financial assets				for the period	Total	Shareholder's Equity
Notes											
Financial Position as at 01--01-2022		1		125 000,00	25 000,00	1116139,57	13 833,40	2 627,26	515 929,74	1798529,97	1798529,97
Changes in the Accounting period											
Fair value adjustment					294,85					294,85	294,85
Other changes recognized in Equity											
										294,85	294,85
Net Profit for the period		3							547295,99	547 295,99	547 295,99
Comprehensive Income		4=2+3							547 295,99		
Transactions with Equity Holders in the accounting period											
Accounting distributions						(484 070,26)			(515 929,74)	(1 000 000,00)	(1 000 000,00)
		5				(484 070,26)			(515 929,74)	(1 000 000,00)	(1 000 000,00)
Financial Position as at 31-12-2022		6=1+2+3+5	9	125 000,00	25 000,00	632 364,16	13 833,40	2 627,26	547295,99	1 346120,81	1 346120,81

STATEMENT OF CHANGES IN EQUITY IN 2023

(Amounts expressed in Euros)

Headings	Notes	Paid-up Capital	Legal Reserves	Other Reserves	Retained earnings	Adjustments in financial assets	Net income	
							for the period	Total
							Shareholder's Equity	
		---					---	

Financial position as at 01-01-2023	6	125 000,00	25 000,00	632 364,16	13833,40	2 627,26	547 295,99	1 346120,81	1 346120,81
Changes in the accounting period									
Fair value adjustment				6 862,08				6 862,08	6 862,08
Other changes in Equity									
	7			6 862,08				6 862,08	6 862,08
Net Profit for the period	8						462356,41	462_356,41	462 356,41
Comprehensive Income	9=7+8						462 356,41		
Transactions with Equity Holders in the accounting period									
Accounting distributions					(450 000,00)			(450 000,00)	(450 000,00)
Other operations					547295,99		(547 295,99)		
	10				97 295,99		(547 295,99)	(450000,00)	(450 000,00)
Position as at 31-12-2023	11=6+7+8+10	9	125000,00	25 000,00	639226,24	111129,39	2627,26	462 356,41	1365339,30

THE CERTIFIED ACCOUNTANT

*
20639'5 Z-9t

I

15 88 6* **

THE BOARD OF DIRECTORS

! * *


STATEMENTS OF CASH FLOWS

(Amounts expressed in Euros)

Headings	Notes	31/12/2023	
31/12/2022 Cash flows from operating activities – Direct Method			
Receivables from clients		716 877,25	8 089 764,17
Payments to suppliers		(884 922,62)	(579 429,95)
Payments to personnel		(1 266 431,67)	(910 126,23)
Flows generated by operating activities		(1 434 477,04)	6 600 207,99
Payment/receivable from tax corporate income tax		(193 058,12)	(182 469,02)
Other receivables/payments		(677 771,26)	(735 169,37)
Flows generated by operating activities (1)		(2 305 306,42)	5 682 569,60

Cash flow from investment activities**Payments related to:**

Tangible fixed assets		(18 855,20)
Intangible assets	(131 967,08)	(17 997,56)

Receivables from:

Tangible Fixed Assets		5 500,00
Financial Investments	24,75	4,50
Interest and similar income	(125 451,96)	(36 848,26)

Cash flows generated by investment activities**Payments relating to:**

Financing obtained
Dividends

Cash flow from investment activities (3)**Change in cash and cash equivalents (1+2+3)**

Change in cash and cash equivalents at the beginning of the period

Cash equivalents at the end of the period

=====

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

20639C,2 *

8JJ11,

/

I*

*

1sea1) :



Annex

1. IDENTIFICATION OF THE ENTITY

EASYPAY - Instituição de Pagamento, LDA. is a private limited company, established on 18 September 2000, with its headquarters in Lisbon, and classified with main activity as **Other Business Support Activities and Services N.S.**

The share capital is of 125,000.00 euros and is fully paid-up, divided between the partners Sebastião José Lancastre (93%) and Bestinver, S.A (7.0%). In December 2015, the share belonging to Sebastião Manuel Lancastre has been transferred to a joint share held by Margarida Maria da Câmara Ribeiro Ferreira de Lancastre, Sebastião José Ribeiro Ferreira de Lancastre, Ana Filipa Ribeiro Ferreira de Lancastre, Pedro Ribeiro Ferreira de Lancastre, Teresa Maria Ribeiro Ferreira de Lancastre and Miguel Ribeiro Ferreira de Lancastre. In March 2019, 7% of the shares were acquired by the company Fidentis Gestion S.G.I.I.C. S.A. In June 2019, the joint share was transferred to the partner Sebastião José Lancastre. In June 2021, this share (7%) was transferred to Bestinver Gestion S.A Gestora de Instituciones de Inversion Coletiva and, in July 2021, to Bestinver, S.A.

2. REFERENTIAL CHART OF ACCOUNTS USED TO PREPARE THE FINANCIAL STATEMENTS

2.1. The preparation of the financial statements in annex has been made on the assumption that operations will continue, based on the company's accounting books and records, managed according to the International Financial Reporting Standards, as adopted by the European Union, in force for financial years beginning on January 1, 2015. These standards include the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and their respective interpretations - IFRIC and SIC, issued by the International Financial Reporting Interpretation Committee ("IFRIC") and the Standards Interpretation Committee ("SIC"), respectively - which have been adopted by the European Union. Henceforth, all these standards and interpretations will be referred to generically as "IAS/IFRS".

2.2. The content of the accounts in the financial statements is comparable with the previous year. As of 2016, **easypay** has adopted for the first time the new IAS/IFRS accounting framework.

3. MAIN ACCOUNTING POLICIES

The main accounting policies used by the Entity to prepare the financial statements in annex are the following:

3.1.1. BUSINESS CONTINUITY ASSUMPTION

Under the business continuity assumption, the entity has assessed the information available to it and its future expectations, considering the entity's ability to continue with its business. The assessment results are that the business will continue to operate indefinitely, assuming its continuity.

3.1.2 ACCRUAL ASSUMPTION

Elements of the financial statements are recognised as soon as the definitions and recognition criteria are met in accordance with the conceptual framework, regardless of when they are paid or received.

3.1.3 CONSISTENCY OF PRESENTATION

The presentation and classification of items in the financial statements are consistent from one period to the next.

3.1.4 MATERIALITY AND AGGREGATION

Materiality depends on the size and nature of the omission or error, judged on the surrounding circumstances. Omissions or misstatements of items are considered material relevant if they can, individually or collectively, influence the economic decisions made by users based on financial statements. An item that is not material enough to warrant separate presentation on the face of financial statements may nevertheless be material enough to warrant separate presentation on the face of financial statements. An item that is not materially relevant enough to justify its separate presentation on the face of financial statements may nevertheless be material enough to be presented separately in the notes to this annex.

Financial statements are the result of processing large numbers of transactions or other events which are aggregated into classes according to their nature or function. The final stage of the aggregation and classification process is the presentation of condensed and classified data forming line items on the face of the balance sheet, income statement, statement of changes in equity and cash flow statement or in the notes/annex.

3.1.5 OFFSETTING

Assets and liabilities, income, and expenses, are not offset except when required or permitted by an IFRS. Therefore, revenue should be measured considering the amount of any commercial discounts and volume rebates granted by the Entity. The Entity undertakes, during its ordinary activities, other transactions that do not generate revenue, but which are inherent to the main activities that generate it. The results of such transactions are presented, when this presentation reflects the substance of the transaction or other event, offsetting any income against the related expenses resulting from the same transaction.

Gains and losses arising from a group of similar transactions are reported on a net basis, for example, gains and losses from exchange differences or gains and losses from financial instruments held for trading. These gains and losses are accounted for separately if they are materially relevant.

3.2. RECOGNITION AND MEASUREMENT POLICIES

3.2.1 TANGIBLE FIXED ASSETS

Tangible fixed assets are initially recorded at acquisition or production cost, which includes the purchase cost, any costs directly attributable to the activities necessary to place the assets in the location and condition required to operate as intended and, where applicable, the initial estimate of the costs of dismantling and removing the assets and restoring their respective installation or operating sites that the Entity expects to incur.

Any increase resulting from revaluations is recorded in equity as a revaluation surplus, unless it reverses a decrease previously recognised in the income statement, in which case the increase is also recognised in the income statement. Decreases resulting from revaluations are recorded directly in revaluation surplus until any remaining credit balance of the revaluation surplus of the same asset is equalised. Any excess of the decreases over this remaining credit balance is recognised directly in the income statement. When the revalued asset is derecognised, the revaluation surplus included in the equity associated with the asset is not reclassified to profit or loss but is transferred to retained earnings. Whenever an asset is revalued, all assets in its class are revalued.

Tangible fixed assets are stated at their net value of accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated after the asset is ready for use, according to the straight-line method, in accordance with the estimated useful life for each group of assets.

The useful lives and depreciation methods of the various assets are reviewed annually. The effect of any changes to these estimates is recognised prospectively in the income statement.

Maintenance and repair costs (subsequent expenditures) that are not likely to generate additional future economic benefits are recognised as expenses in the period in which they are incurred.

The gain (or loss) resulting from the disposal or write-off of a tangible fixed asset is determined as the difference between the fair value of the amount received in the transaction or receivable and the carrying amount of the asset and is recognised in the income statement in the period in which the write-off or disposal occurs.

Tangible fixed assets are depreciated on an annual basis over their estimated useful lives:

Building and Constructions	Other	5 to 20 years
Basic equipment		1 to 8 years
Transport equipment		4 years
Administrative equipment		3 to 8 years

3.2.2. INTANGIBLE ASSETS

Intangible assets are measured at cost less accumulated amortisation and impairment losses, and expenditure on research activities is recognised as expenses in the period in which it is incurred.

Amortisation of intangible assets is recognised on a straight-line basis over the estimated useful life of the intangible assets. The useful lives and amortisation methods of the various intangible assets are reviewed annually, and the effect of changes to these estimates is recognised in the income statement prospectively.

Intangible assets (regardless of how they are acquired or generated) with an indefinite useful life are not amortised but are subject to impairment tests on an annual basis, or whenever there is an indication that the intangible may be impaired.

Regarding intangibles with finite useful lives, the respective amortisations were calculated according to the following estimated useful lives:

Industrial Property	3 years
Other Intangible Assets	3 years
Computer Programs	1 year

3.2.3 FINANCIAL INSTRUMENTS

INVESTMENTS

Investments held by the Company are classified as follows:

Available-for-sale investments: these include non-derivative financial assets that are designated as available-for-sale or those that do not fall into the previous categories.

This category is included in non-current assets unless the Board intends to dispose of the investment within 12 months before the balance sheet date. Investments are initially recognised at acquisition cost, which is the fair value of the price paid including transaction costs, in the case of held-to-maturity and available-for-sale investments.

After initial recognition, investments measured at fair value through profit or loss and available-for-sale investments are revalued at their fair values by reference to their market value on the balance sheet date, without any deduction for transaction costs that may occur until they are sold. Investments in equity instruments that are not listed and for which it is not possible to reliably estimate their fair value are held at acquisition cost less any impairment losses. Held-to-maturity investments are measured at amortised cost using the effective interest rate method.

Gains or losses arising from a change in the fair value of available-for-sale investments are recognised in equity, under "Fair value reserves" included under "Other reserves" until the investment is sold or received or until the fair value of the investment falls below its acquisition cost and this corresponds to an impairment loss, at which point the accumulated loss is transferred to the income statement.

All purchases and sales of these investments are recognised on the date the respective purchase and sale contracts are signed, regardless of their financial settlement date.

DEBTS FROM THIRD PARTIES

Debts from customers, other debtors and other third parties are recorded at their nominal value and presented in the statement of financial position less any impairment losses recognised under "Accumulated impairment losses", so that the assets reflect their net realisable value. These items, when current, do not include interest as the impact of discounting is not considered material.

Impairment losses are recognised following events that objectively and quantifiably indicate that all or part of the outstanding balance will not be received. To this end, each company considers market information showing that:

- the counterparty is experiencing significant financial difficulties;
- there are significant delays in payments by the counterparty; and
- it is likely that the debtor will go into liquidation or financial restructuring.

The impairment losses recognised correspond to the difference between the carrying amount of the receivable balance and the respective present value of the estimated future cash flows, discounted at the initial effective interest rate which, in cases where the receivable is expected to be received within a period of less than one year, is considered nil as the effect of discounting is considered immaterial.

LOANS

Loans are disclosed under the item liabilities at their nominal value less transaction costs that are directly attributable to the issuing of these liabilities. Financial charges are calculated in accordance with the effective interest rate and accounted for in the income statement for the period on an accruals basis.

ACCOUNTS PAYABLE

Accounts payable, which do not bear interest, are recorded at their nominal value, which is substantially equivalent to their fair value.

3.2.4. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised only when the Entity has a present obligation (legal or constructive) resulting from a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reasonably estimated.

The recognised number of provisions is the present value of the best estimate at the reporting date of the resources required to settle the obligation. This estimate is determined considering the risks and uncertainties associated with the obligation.

Provisions are reviewed at the reporting date and adjusted to reflect the best estimate at that date.

Present obligations arising from onerous contracts are recognised and measured as provisions. An onerous contract exists when the Entity is an integral party to the provisions of a contract or agreement, the fulfilment of which has associated costs that cannot be avoided, which exceed the economic benefits derived from it.

Provisions arising from environmental matters are recognised and measured as a provision in accordance with the related obligation.

Contingent liabilities are not recognised in the financial statements but are disclosed whenever the possibility of an outflow of resources involving economic benefits is not remote. Contingent assets are not recognised in the financial statements but are only disclosed when it is probable that there will be a future economic inflow of resources.

3.2.5. RECOGNITION OF REVENUE

Revenue comprises the fair value of the consideration received or receivable for the provision of services arising from the Entity's regular activity. Revenue is recognised net of Value Added Tax (VAT), rebates and discounts.

The Entity recognises revenue when it can be reasonably measured, when it is probable that the Entity will obtain future economic benefits, and the specific criteria described below are met.

Revenue is recognised on the date the services are rendered, i.e. when the necessary expenses are incurred, if necessary, using the percentage of completion method or the nil profit method if it is impossible to reliably determine the outcome of the service contracts.

Interest received is recognised on an accrual basis, considering the amount owed and the effective rate over the period to maturity. Dividends are recognised as other net gains and losses when there is a right to receive them.

The amount of revenue is not considered to be reasonably measurable until all contingencies relating to a sale have been

substantially resolved. The Entity bases its estimates on historical results, considering the type of customer, the nature of the transaction and the specificity of each agreement.

3.2.6. GRANTS

Government grants are only recognised when there is reasonable certainty that the Entity will comply with the conditions for granting them and that they will be received.

Government grants associated with the acquisition or production of non-current assets are initially recognised in equity and are subsequently charged on a systematic basis (in proportion to the depreciation of the underlying assets) as income for the period over the useful lives of the assets to which they relate.

Other government grants are generally recognised as income on a systematic basis over the periods necessary to balance them with the expenses they are supposed to offset. Government grants that are intended to offset losses already incurred or that have no associated future expenses are recognised as income in the period in which they become receivable.

3.2.7. EMPLOYEES BENEFIT PLAN

Employment benefits are classified as: i) short-term benefits; ii) medium and long-term benefits; iii) other post-employment benefits; and iv) termination benefits.

a) Short-term benefits

Short-term benefits include salaries, wages, social security contributions, sick leave, profit sharing and bonuses (paid within 12 months) and non-monetary benefits (medical care, accommodation, cars and free goods or services).

The cost of profit-sharing and/or bonuses is recognised in the period in which the employee contributed (if there is a present, legal/constructive obligation and that it can be measured reliably).

b) Medium/long-term benefits

This heading includes benefits related to long-service leave, jubilee or other long-service benefits, long-term disability benefits, and if not payable within 12 months, profit-sharing, bonuses and deferred remuneration.

The Entity recognises the expense or liability relating to the benefit as the employees become entitled to it, and they are measured at present value.

c) Other benefits

The following items are also considered post-employment benefits: pensions, other retirement benefits, post-employment life insurance and post-employment medical care.

d) Termination benefits

These result from benefits paid because of the Entity's decision to terminate the job of an employee before the regular retirement date, or an employee's decision to accept voluntary resignation in exchange for these benefits.

e) Equity compensation benefits

These result from the employee's right to receive equity instruments issued by the Entity, or from the fact that the value of the obligation to pay employees depends on the future price of equity financial instruments issued by the Entity.

3.2.8 IFRS16 - LEASES

The Company adopted the application of IFRS 16 on January 1, 2019, and did not restate the comparative figures.

The main change implemented by IFRS 16, compared to IAS 17, lies in the classification and recognition of leases in the leaseholders' financial statements, eliminating the previous distinction in accounting treatment between operating leases and finance leases and replacing it with a single recognition model.

In view of this change, at the beginning of a contract, entities must assess whether it constitutes or contains a lease, which implies the right to control the use of an identified asset for a certain period, in exchange for compensation. In the case of a lease, the

leaseholder must recognise an asset under a right-of-use contract and a lease liability, i.e. treat the recognition as a finance lease. On the other hand, IAS 17 also allowed the contract to be recognised as an operating lease, in which the periodic instalment costs are considered in the income statement as soon as the payments are made or due.

The asset under right of use is measured initially at its cost, which should include: (a) the amount of the initial measurement of the lease liability; (b) any lease payments made on or before the effective date, less lease incentives received; (c) any direct costs incurred at the beginning of the contract; and (d) an estimate of the costs of dismantling, removing or restoring the asset. The lease liability is measured at the present value of the lease payments that are unpaid at that date. Lease payments should be discounted at the interest rate implicit in the lease if that rate can be easily determined.

Subsequently the leaseholder must measure the asset under right of use applying a cost model, except in the case of leased assets recognised as investment property at fair value, under IAS 40 Investment Property and tangible fixed assets to which is applied the revaluation model of IAS 16 Property, Plant and Equipment applies. The leaseholder must apply the depreciation requirements of IAS 16 Property, Plant and Equipment when depreciating the asset under right of use. The leaseholder must also apply IAS 36 Impairment of Assets to determine whether the asset under right of use is impaired and account for any impairment loss identified.

The company has chosen not to apply these requirements in the case of short-term leases (for less than 12 months), as well as leases where the underlying asset is of low value.

In the Balance Sheet, right-of-use assets are presented under non-current assets and lease liabilities under current and/or non-current liabilities, depending on the maturity of the liabilities. Assets under right of use can be presented as tangible fixed assets and those that fulfil the definition of investment property are presented as such.

Regarding the accounts to be used, these non-current assets are recorded in account 43 – “Tangible fixed assets” or account 42 – “Investment property”, depending on the situation. The lease liabilities are recorded in account 2513 – “Loans obtained - Credit institutions and financial companies - Finance leases”.

In the profit and loss account, the company presents interest costs on liabilities and depreciation costs on assets under right of use, the former being a component of financing costs.

In the cash flow statement, both the amortisation of capital and the interest paid will currently be considered as flows from financing activities.

Before the entry into force of IFRS 16, the accounting treatment of operating leases involved only the presentation of rental costs under external supplies and services and the respective payment was recognised as a flow of operating activities.

At the end of a lease contract, the total costs tend to be identical in both models, however, with the application of IFRS 16 there will be a more asymmetrical distribution of these costs over the lease period, divided between depreciation and interest, as opposed to the previous linear recognition of rental costs of a purely operational nature.

It should be emphasised that, in tax terms, the company considered the accounting depreciation on rights of use (resulting from the application of IFRS 16) to be an accepted tax expense, contrary to the provisions of Circular 7/2020 of the Tax and Customs Authority, which establishes that the useful life of assets under right of use should be determined using the rates in tables I and II of the underlying assets of Law-Decree 25/2009.

3.2.9 INCOME TAX

Income tax for the period corresponds to the sum of current and deferred tax. Current and deferred taxes are recognised in the income statement, except when the deferred taxes relate to items recognised directly in equity, in which case the deferred taxes are also recognised under the respective equity headings.

Current tax payable is based on the taxable profit for the period. Taxable profit differs from accounting profit as it excludes various costs and income that will only be deductible or taxable in other periods, as well as costs and income that will never be deductible or taxable.

Deferred taxes refer to the temporary differences between the amounts of assets and liabilities for accounting purposes and the

respective amounts for tax purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for deductible temporary differences, but this recognition only occurs when there are reasonable expectations of sufficient future taxable profits

to offset these deferred tax assets, or taxable temporary differences that reverse in the same period as the reversal of deductible temporary differences. A review of these deferred tax assets is carried out at each reporting date, and they are adjusted in line with expectations as to their future use.

Deferred tax assets and liabilities are measured using the tax rates expected to be in force on the date of the reversal of the corresponding temporary differences, based on the tax rates (and tax legislation) that have been formally approved on the reporting date.

The offsetting of assets and liabilities by deferred taxes is only permitted when: (i) the Entity has a legal right to offset such assets and liabilities for settlement purposes; (ii) such assets and liabilities relate to income taxes issued by the same tax authority and (iii) the Entity intends to offset for settlement purposes.

3.3 VALUE JUDGEMENTS

In the preparation of the attached financial statements, value judgments and estimates were made and various assumptions were used which affected the reported amounts of assets and liabilities, as well as the reported amounts of income and expenses for the period.

3.4 SUBSEQUENT EVENTS AND KEY ASSUMPTIONS FOR THE FUTURE

Events after the balance sheet date that provide additional information on conditions that existed at the balance sheet date, i.e. events after the balance sheet date that give rise to adjustments, are reflected in the financial statements. Events after the balance sheet date that provide information about conditions that occur after the balance sheet date, i.e. events after the balance sheet date that do not give rise to adjustments, are disclosed in the financial statements if they are considered materially relevant.

3.5 MAIN SOURCES OF UNCERTAINTY IN THE ESTIMATES

The estimates and underlying assumptions were determined based on the best knowledge existing at the date of approval of the financial statements of current events and transactions, as well as on the experience of past and/or current events. However, situations may occur in subsequent periods which, not being foreseeable at the date of approval of the financial statements, were not considered in these estimates. Changes to estimates that occur after the date of the financial statements will be corrected prospectively. For this reason and given the associated degree of uncertainty, the actual results of the transactions in question may differ from the corresponding estimates.

4. CASH AND CASH EQUIVALENTS

4.1. BREAKDOWN OF VALUES IN THE ITEMS CASH AND BANK DEPOSITS

For the purposes of cash flow statement, cash and cash equivalents include cash, immediately withdrawable bank deposits (with a maturity of three months or less) and treasury investments in the money market, net of bank overdrafts and other equivalent short-term financing. Cash and cash equivalents at 31/12/2023 and 31/12/2022 are detailed as follows:

	2023	2022
Cash	0,80	0,80
Current accounts	8 692 319,40	11 583 678,76
Time deposits	45 000,00	45 000,00
	8 737 320,20	11 628 679,56

5. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

5.1 CHANGE IN ACCOUNTING POLICIES WITH EFFECT IN THE CURRENT PERIOD OR IN ANY PREVIOUS PERIOD, OR WITH POSSIBLE EFFECTS IN FUTURE PERIODS.

The entity has changed its accounting policy in 2016 as described in note 2).

5.2 CHANGES IN ACCOUNTING ESTIMATES WITH EFFECT IN THE CURRENT PERIOD OR EXPECTED TO HAVE EFFECT IN FUTURE PERIODS

There were no changes in the accounting estimates.

5.3 MATERIAL ERRORS FROM PREVIOUS PERIODS

There were no material errors in previous periods.

6. TANGIBLE FIXED ASSETS

During the periods ended on 31/12/2023 and 31/12/2022, the movements occurred in the carrying amount of tangible fixed assets, as well as in the respective accumulated depreciation, were the following:

Buildings and other constructions	14 084,68	18 855,20	(1 937,49)	31 002,39		(3 054,88)	27 947,51
Right to use - Buildings and other constructions	70 010,00	49 408,00	(50 160,00)	69 258,00	49 408,00	(50 160,00)	68 506,00
Basic equipment	30 253,88	8 614,83	(13 202,05)	25 666,66	3 705,68	(13 240,94)	16 131,40
Transport equipment	2 284,53	17 997,56	(4 909,17)	15 372,92	(8 140,00)	3 640,61	10 873,53
Right to use – Transport equipment	10 295,00		(10 295,00)				
Administrative equipment	(0,00)			(0,00)			(0,00)
Right to use – Administrative Equipment	(0,00)	23 823,00	(1 984,00)	21 839,00		(5 952,00)	15 887,00
	126 928,09	118 698,59	(82 487,71)	163138,97	44 973,68	(68 767,21)	139 345,44
Buildings and other constructions	26 439,05	1 937,49	-	28376,54	3 054,88	-	31 431,42
Right to use - Buildings and other constructions	203 061,46	50 160,00	-	253 221,46	50 160,00	-	303 381,46
Basic equipment	186 071,03	13 202,05	-	199 273,08	13 240,94	-	212 514,02
Transport equipment	27 787,02	4 909,17	-	32 696,19	4 499,39	(8 140,00)	29 055,58
Right to use – Transport equipment	56 733,25	10 295,00	(67 028,25)	-	-	-	-
Administrative equipment	10 599,51	-	-	10 599,51	-	-	10 599,51
Right to use – Administrative Equipment	-	1 984,00	-	1 984,00	-	-	7 936,00
	510 691,32	82 487,71	(67 028,25)	526 150,78	76 907,21	(8 140,00)	594 917,99
Buildings and other constructions	14 084,68	18 855,20	(1 937,49)	31 002,39		(3 054,88)	27 947,51
Right to use - Buildings and other constructions	70 010,00	49 408,00	(50 160,00)	69 258,00	49 408,00	(50 160,00)	68 506,00
Basic equipment	30 253,88	8 614,83	(13 202,05)	25 666,66	3 705,68	(13 240,94)	16 131,40
Transport equipment	2 284,53	17 997,56	(4 909,17)	15 372,92	(8 140,00)	3 640,61	10 873,53
Right to use – Transport equipment	10 295,00		(10 295,00)				
Administrative equipment	(0,00)			(0,00)			(0,00)
Right to use – Administrative Equipment	(0,00)	23 823,00	(1 984,00)	21 839,00		(5 952,00)	15 887,00
	126 928,09	118 698,59	(82 487,71)	163138,97	44 973,68	(68 767,21)	139 345,44

The heading "Rights of Use" results from the application of IFRS 16.

It should be noted that, in tax terms, the company considered as an accepted tax expense the accounting depreciations related to the rights of use (resulting from the application of IFRS 16), contrary to the provisions of Circular Nr. 7/2020 of the Tax and Customs Authority, which establishes that the useful life of the assets under the right of use is determined considering the rates in tables I and II of the underlying assets, of the Law-Decree nr. 25/2009.

7. INTANGIBLE ASSETS

During the periods ended on 31/12/2023 and 31/12/2022, the movements occurred in the amount recorded on intangible assets, as well as in the respective accumulated amortizations, were the following:

	Gross asset							
	Balance as at 01-01-2022	Increases and revaluations	Disposals and Write-offs	Balance as at 31-12-2022	Increases and revaluations	Disposals and write-offs	Corrections and changes	Balance as at 31-12-2023
Software programmes	65,04	4 275,00		4 340,04	62 682,50			67 022,54
Intellectual property	930,16			930,16				930,16
Intangible assets in progress	137 625,71			137 625,71	80 910,00		(26 730,00)	191 805,71
	138 620,91	4 275,00		142 895,91	143 592,50		(26 730,00)	259 758,41

	Accumulated depreciations							
	Balance as at 01-01-2022	Increases and Revaluations	Disposals and Write-offs	Balance as at 31-12-2022	Increases and revaluations	Disposals and write-offs	Corrections and changes	Balance as at 31-12-2023
Software programmes	65,04	118,74		183,78	10 262,87			10 446,65
Intellectual property	929,16			929,16				929,16
	994,20	118,74		1112,94	10 262,87			11 375,81

	Intangible assets							
	Balance as at	Gross Asset	Accumulated depreciation	Balance as at 31-12-2022	Gross Asset	Accumulated depreciation	Impairment	Balance as at 2023
Software programmes		4 275,00	(118,74)	4 156,26	62 682,50	(10 262,87)		56 575,89
Intellectual property	1,00			1,00				1,00
Intangible assets in progress	137 625,71	7 240,00		144 865,71	54 180,00			199 045,71
	137 626,71	11 515,00	(118,74)	149 022,97	116 862,50	(10 262,87)		255 622,60

Under this heading, it is recorded the value of intangible assets in progress (78,505.71 euros), related to the Abypay project, (33,480 Euros), to the WebApp project developed by **easypay** and also the onboarding project (67060 euros) and Design Discovery Phase, with the value of 20,000 euros.

8. FINANCIAL INSTRUMENTS

The Entity develops a variety of financial instruments, within the scope of its management policy, namely:

8.1. OTHER CURRENT ASSETS

The breakdown of the heading "financial assets" on 31/12/2023 and 31/12/2022 is presented below:

FINANCIAL ASSETS	2023		2022	
	Gross amount	Net amount	Gross amount	Net amount
BCP	14 710,58	14 710 58	7 848,50	7 848 50
	14 710 58	14 710 58	7 848,50	7 848,50

The breakdown of the heading "Active Deferrals" on 31/12/2023 and 31/12/2022 is presented below:

	2023	2022
Rentals	12 900,00	
Computers – Software	9 034,13	6 401,14
Insurance	65 350,24	40 601,22
Others	41 356,97	15 606,67
	128641,34	62 609,03

8.2. STATE AND OTHER PUBLIC ENTITIES

The breakdown of the heading "state and other public entities" on 31/12/2022 and 31/12/2021 is presented below:

	2023	2022
Tax Authority	108 921,03	129751,79
Social Security	23 732,61	38883,10
	132 653,64	168 634,89
Debit Balance		
IRC – toberecovered	154 344,19	143659,18
	154 344,19	143 659,18
Credit Balance		
Current		
IRC -To be paid	150 919,80	182373,12
IRS- Withold Personal Income Tax	17 339,00	24 608,25
IVA-To be paid	95 006,42	66 429,60
Social Security Contribution	23 732,61	38883,10
	286 997,83	312 294,07

There are no overdue payments to the State. The amounts presented correspond to values calculated on December 2023.

8.3. OTHER DEBTS TO THIRD PARTIES

The breakdown of "other accounts receivable" on 31/12/2023 and 31/12/2022 is presented below:

	2023		2022	
	Current	Total	Current	Total
Suppliers	5161,91	5 161,91	3144,65	3 144,65
Personnel	225,46	225,46		
SSL			32 107,52	32 107,52
Credorax Deposit	25 000,00	25 000,00	25 000,00	25 000,00
Others	18,00	18,00	17 135,58	17135,58
	30 405,37	30 405,37	77 387,75	77 387,75

8.4. OTHER CURRENT CREDITORS

The breakdown of "other current creditors" on 31/12/2023 and 31/12/2022 is as follows:

	2023		2022	
	Current	Total	Current	Total
Personnel	1 268,25	1 268,25	243,40	243,40
Creditors for accrual of expenses	55 829,30	55 829,30	206 516,49	206 516,49
Remunerations paid to personnel	169 847,88	169 847,88		
Other creditors	7 450 915,51	7 450 915,51	10 188 655,88	10 188 655,88
	7 677 860,94	7 677 860,94	10 395 415,77	10 395 415,77

The amount presented in "Creditors for Accruals of Expenses" corresponds to the remunerations to be settled and expenses for 2023.

Under the heading "other creditors" are registered the amounts belonging to customers and that are returned in future months. These amounts are considered as amounts in transit in **easypay**'s accounts.

DEFERRALS

The breakdown of passive deferrals on 31/12/2023 e 31/12/2022 is presented below:

	2023	2022
Income to be recognised		485,21
		485,21

8.5. SUPPLIERS

The breakdown of suppliers on 31/12/2023 and 31/12/2022 is presented as follows:

	2023		2022	
	Current	Total	Current	Total
Suppliers - current account	105127,34	105 127,34	174107,79	174107,79
Advance to suppliers			(22 342,40)	(22 342,40)
	105127,34	105127,34	1 5 1 7 6 5,3 9	1 5 1 7 6 5,3 9

8.6. FINANCIAL HOLDINGS – EQUITY METHOD

On 29/03/2019, **easypay acquired** a 12% stake in the SSL entity with its headquarters at Rua Soares dos Passos nr.12, 4th Floor, in Lisbon.

The structure of the company owned by **easypay** is as follows on 31/12/2023 and 31/12/2022:

Measurement	% Participations	Headquarters	Years	Total assets	Total passivo	Income	Expenses	Net Results
EM	12,00%	Lisboa	2022	1193 280,25	758 659,66	246 791,80	156 942,36	65 800,24
EM	12,00%	Lisboa	2023	1 061 424,19	686 526,69	148 605,73	209 629,57	(59 723,09)

During the financial year ended at 31 December 2023 and 2022, the movement in the headings "Financial holdings – Equity equivalents" was as follows:

		<u>2023</u>	<u>2022</u>
		EM	EM
	Financial participations:		
SSL	<u>44 987,70</u>	<u>52 154,47</u>	
	<u>44 987,70</u>	<u>52154,47</u>	

As at 31 December 2023 and 2022, the Company reported the following imputed gains/losses of subsidiaries, associates and joint ventures:

		<u>2023</u>	<u>2022</u>
	EM		EM
Financial participations:	<u>(7 166,77)</u>		<u>7 944,27</u>
SSL	<u>(7 166,77)</u>		<u>7 944,27</u>
L			

EASYPAY - Instituição de Pagamento, LDA.

Financial Statements as at 31 December 2023 (Amounts expressed in Euros)

The balances referred to below relate to transactions carried out between **easypay** and SSL during the year 2023 and 2022:

2023		2022	
Advances to suppliers	Other accounts receive/pay	Advances to suppliers	Other accounts receive/pay

SSL		22 342,40	32 107,5
		22 342,40	32 107,52

	2023	2022
Purchases		
SSL	184 500,00	146 274,80
	184 500,00	146 274,80

8.7. OTHER NON-CURRENT ASSETS

In 2023, the amount of 10,606.47 euros (9,925.30 euros in 2022) recorded under “Other non-current assets” relates to the labour compensation fund.

The Labour Compensation Fund (FCT) is an autonomous fund, endowed with legal personality and managed by a Management Board. It is an individual capitalisation fund financed by employers through monthly contributions. These contributions constitute savings to which they are bound, with a view to paying up to 50 per cent of the amount of compensation to which workers covered by the new regime may be entitled right after the termination of their employment contract.

8.8 FINANCING OBTAINED

As at 31 December 2023, the Company reported the following financing, referring to financial leases resulting from the application of IFRS 16:

	2023	2022
Office Rental Contract	64 341,00	66 401,00
Contract NEWRENT 0105566	16 317,48	21 943,48
	80 658,48	88 344,48

9. SHAREHOLDERS EQUITY INSTRUMENTS

The breakdown of shareholders equity on 31/12/2023 and 31/12/2022 is as follows:

	2023	2022
Share capital	125 000,00	125 000,00
Reserves	664 226,24	657 364,16
Retained earnings	111 129,39	13 833,40
Adjustments in financial assets	2 627,26	2 627,26
Subtotal	902 982,89	798 824,82
Net results of the period	462 356,41	547 295,99
Total	1365339,30	1 346120,81

Share capital

The share capital is 125.000,00 euros and is fully paid-up.

Legal reserve

According to article 295 of the Commercial Companies Code, the legal reserve cannot be less than 20% of the share capital, and for this purpose at least 5% of the net profit must be transferred to this item up to the minimum limit required. In 2017, the variation in this item is due to the application of part of the 2016 result as described in the paragraph below “application of profits”, totalling 25,000.00 euros on 31/12/2018.

Reserves

On 31/12/2023, this heading presents the value of 664,226.24 euros, due to the distribution to shareholders of the amount of 450,000 euros, as resolved in the 2022 minute of the application of results, and due to the variation in the fair value of BCP's shares, in the amount of 6862,08 euros.

Application of results

In 2023, it was decided at the General Meeting that the net result for the 2022 financial year, in the amount of 547,295.99 euros, would be distributed to the shareholders. It was also decided to distribute the amount of 450,000 euros and the remaining amount of 97 295,99 euros was transferred to Retained Earnings.

10. PROVISION OF SERVICES

The revenue recognized by the Entity on 12/31/2023 and on 12/31/2022 is detailed as follows:

	2023	2022
	Face Value	Face Value
Provision of services		
Comissions	4 079 446,01	3 885 414,96
Packages	7 552,73	11 505,96
	4 086 998,74	3 896 920,92

11. EXTERNAL SUPPLIES AND EXTERNAL SERVICES

The records in supplies and external services occurred as follows:

	2023	2022
Specialized work	492 385,90	526 226,63
Bank/financing services	1 329 514,00	1315942,80
Advertising and communication costs	32 566,50	12 519,99
Fees	20 905,12	26162,16
Comissions	47 595,90	42 581,26
Maintenance and repair	7 712,06	3 914,52
Quick wear tools and utensils	3 273,50	6 808,78
Office supplies	3 981,42	7125,85
Gift items	5131,35	9 207,79
Electricity	4119,19	3 052,78
Fuel / Gas	1 844,72	4 816,86
Water	829,56	829,56
Travel and transportation costs	9615,12	10 304,71
Rents and leases	1 191,40	2 057,22
Communication	9 616,04	9112,10
Insurance costs	28 416,32	26 458,33
Litigation and Notaries	1151,85	109,31
Representation expenses	22 577,52	27 762,50
Hygiene, cleanliness, and comfort	5 126,98	5126,45

Other services	19 003,50
	<u>2 046 557,95</u>
	<u>2040119,60</u>

12. PERSONNEL EXPENSES AND EMPLOYEES' BENEFITS

The average number of persons/people employed by the Entity on 31/12/2023 and 31/12/2022 was 28 and 27 people, respectively:

	<u>2023</u>	<u>2022</u>
Personnel costs	1069 775,32	805 877,57
Charges on remuneration	240 893,62	187 797,97
Compensations	2 000,00	4 230,00
Insurance for accidents at work and occupational diseases	6 957,80	6511,96
Other personnel expenses	14 732,70	26 796,87
	<u>1334 359,44</u>	<u>1 031 214,37</u>

13. OTHER INCOME

The records in other income and gains occurred as follows:

		<u>2023</u>	<u>2022</u>
Other income and gains		14 692,01	12 830,30
Interests, dividends, and other similar income	-		<u>12,62</u>
	2_4,7_5		12 842,92
	14 716,76		

14. OTHER COSTS

The records in other costs and losses occurred as follows:

	<u>2023</u>	<u>2022</u>
Taxes	251,44	675,52
Other costs and losses	11 965,99	32 925,31
	<u>12 217,43</u>	<u>33 600,83</u>

15. DEPRECIATION AND AMORTISATION

The records in depreciation and amortisation occurred as follows:

	<u>2023</u>	<u>2022</u>
Tangible fixed assets		
Buildings and other constructions	3054,88	1 937,49
Right to use - Buildings and other constructions	50160,00	50 160,00
Basic equipment	13240,94	13 202,05
Transport equipment	4499,39	10 699,17
Right to use – Transport equipment		4 505,00
Administrative equipment	5 952,00	1 984,00
Right to use – Administrative Equipment		118,74
	<u>76907,21</u>	<u>82 606,45</u>
Intangible Assets		
Software Programs	10262,87	65,04
Industrial Property		929,16
	<u>10262,87</u>	<u>994,20</u>
	<u>87170,08</u>	<u>83 600,65</u>

16. FINANCING EXPENSES

The records in financing expenditures occurred as follows:

	<u>2023</u>	<u>2022</u>
Interest rates and similar expenses borne		
Interest borne	967,62	497,75
	<u>967,62</u>	<u>497,75</u>

17. INCOME TAX

According to current legislation, tax returns are subject to review and correction made by the tax authorities for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been granted, or inspections, claims or challenges are underway, in which case, depending on the circumstances, the deadlines are extended or suspended. As a result, the Entity's tax returns for 2020 to 2023 may still be subject to review.

The Entity's Board of Directors believes that any corrections resulting from reviews/inspections made by the tax authorities of those tax returns will not have a significant effect on the financial statements in 2023.

	2023	2022
Current tax	150 919,80	182 373,12
	150 919,80	182 373,12
Reconciliation of the effective tax rate		
	2023	2022
Earnings before Tax	613 276,21	729 669,11
Accruals to the taxable amount		
Corrections of previous years	7 178,14	483,74
Penalties, fines, compensatory interest	3 364,70	953,00
Charges not properly documented	146,77	30 945,27
Charges for car rental without driver		2 354,58
Tax benefits	5 500,00	
EM – Equity Method	7 166,77	
Others	25 521,45	22 205,65
Deductions from the tax base		
Excess of estimate for taxes	(0,01)	
Accounting capital gains	(5 500,00)	
EM - Equity Method		(7 896,03)
Tax Benefits	(570,00)	(270,00)
	Tax result	778 445,32
	656 084,03	778 445,32
	Collection	778 445,32
	656 084,03	778 445,32
Effective tax rate	135 777,65	162 473,52
Municipal surcharge	9 841,26	11 676,68
Autonomous taxation	5 300,89	8 222,92
	Current tax	182 373,12
	__1_50_91_9,8_0	182 373,12

18. OTHER BANK GUARANTEES AND GUARANTEES PROVIDED

In October 2023, the entity no longer had the guarantee of EMEL in the amount of € 45,000, as a result of public contract.

19. POST BALANCE SHEET EVENTS

No events occurred after the balance sheet date and there was no disclosure or adjustment to the financial statements.

20. CONTINGENT ASSET

On 11 March 2020, **easypay** submitted a criminal complaint on the respective issuers of the cards used to make the payments, as well as with the police authorities against the client Words Euphoria, following the complaint of 367 transactions by Words Euphoria's clients.

Unaware of the illicit nature of the activity pursued by Words Euphoria, **easypay** processed the payments/receipts of the commercial transactions made through Words Euphoria online shop, crediting these amounts, less the service fee, to Words Euphoria's bank account, which at that time were a total of 302,600 euros.

However, as a result of the complaints and claims from the payers of these payments, based on non-delivery by Words Euphoria and, consequently, non-receipt of the products purchased from it, transmitted to **easypay** by the payers' payment service providers, as well as the fact that Words Euphoria did not reimburse the amounts received from the claimants, **easypay** had to return the amounts claimed by the payers, under the legal rules applicable to its activity and the rules of the Visa and Mastercard card systems used by the payers/customers in the payments made.

easypay has thus suffered property damage on a total of 161,098.76 euros and has not been reimbursed for the amount of payments/receipts from the transactions fraudulently carried out by Words Euphoria.

Under the terms of Article 483 of the Civil Code, "whoever, with intent or mere fault, unlawfully violates the rights of another shall be obliged to compensate the injured party for the damages resulting from the violation."

Therefore, **easypay** has submitted a civil claim to competent authorities in the amount of 161,098.76 euros. On the amount owed to **easypay**, as provided for in Article 805(2)(b) of the Civil Code, are charged interest at the legal rate of 7% on the 307 days, from the date of the last unlawful transaction to the date of the claim for compensation, in a total of 9,484.96 euros, making a final total of 170,583.72 euros.

21. OTHER DISCLOSURES

The company's situation is in good standing, and there are no outstanding debts to the Tax Authority or to Social Security. The fees of the Statutory Auditor (Single Auditor) were 9,000.00 euros, plus VAT at the legal rate in force.

THE CERTIFIED ACCOUNTANT


20.639,529
15886

ÓRGÃO DE GESTÃO

