

REPORT AND ACCOUNTS 2022

easypay

simple

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I - MANAGEMENT REPORT

In compliance with the legal provisions in force, **easypay**'s management presents its management report and financial statements for the financial year ended at 31 December 2022.

INTRODUCTION

easypay is a payment institution licensed and supervised by the Bank of Portugal, which is authorised 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, SEPA Direct Debit, Credit Card (Visa and Mastercard), MB Way, 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 looking for the best solution to manage and receive payments for their business, presenting customised solutions.

In compliance with the legal provisions in force, **easypay**'s Board presents its management report and financial statements for the financial year ended on 31 December 2022.

Keeping its innovation strategy in the payment services market in 2022, **easypay** has implemented several payment solutions such as bank transfers with Iban Digital, Buy Now Pay Later solution in partnership with Sonae Financial Services and an online credit solution in partnership with Santander Consumer Finance. In addition, **easypay** also became a credit intermediary.

[a\)The evolution of the company's management during 2022 financial year, especially regarding market conditions, investments, costs, income, and R&D activities](#)

MARKET

Year 2022 was marked by a significant increase in competition in the payment services market, with the emergence of new operators and new technological solutions and the increasing pressure

on prices. An example of this was the emergence of a significant number of Buy Now Pay Later (BNPL) solutions, as well as online credit solutions for e-commerce payment transactions.

The market of payment services continued to undergo a significant transformation, mainly due to the change in consumer purchasing behaviour in the post-pandemic period, as well as the result of the digital transformation process that most companies are undergoing. The market's continuing demand that payment transactions be increasingly quick, secure, and convenient.

Digital wallets are increasingly important in day-to-day lives of businesses and consumers due to the significant use of mobile devices in purchasing and payment processes.

In terms of security in transactions, almost all online payments are based on strong authentication, with most payment operators using two factor authentication (2FA), resorting to sending a one-time password (OTP) either by sending an SMS or by using applications to generate these passwords.

THE COMPANY'S ACTIVITY

Full year 2022 was characterised by a more flexible commercial strategy in the use of different means of payment, with a unified price list for all means of payment and the development of innovative products such as check-out, buy now pay later, online credit and Iban Digital, in which bank transfers are automatically identified as to the payer, invoice or payment to which they relate.

easypay has continued with its firm commitment to online commerce, providing companies and entrepreneurs with payment solutions suited to the new ways of developing economic activities.

In this context, **easypay** has processed 6.5 million payment transactions in 2022, corresponding to a transaction volume of approximately 335 million euros.

The company has continued with its strategy of developing an internal organisation, appropriate and consistent with the demands and best practices of the sector, with special emphasis on the autonomy of the compliance and risk management structure units, as well as developing and

investing in a unique technological capacity in the Portuguese market, with the restructuring of the respective structure unit in terms of human resources and internal organisation.

The war in Ukraine and the significant increase in inflation did not produce any relevant changes in the company's activity in 2022, neither are these expected to happen in 2023.

Operating profit (EBIT) totalled 729,669.11 euros and Net Profit for the year was of 547,295.99 euros.

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 2023 **easypay** will focus on adopting its checkout solution applied to all invoicing software and e-commerce applications, so that increasingly digitised solutions simplify and ensure that companies to have access to the best payment instruments, guaranteeing that solutions are present and available at all times, adapted to their needs, thus making payment management more efficient and supporting companies in creating innovative solutions adapted to new market conditions, which are increasingly tending to converge towards digital.

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

d) A duly substantiated 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 totalling 1,346,120.81 euros, with the legal reserve fully constituted and essentially made up of free reserves, fully complying with the requirements in terms of equity.

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

- a) distribution to the shareholders of a total amount of 450,000.00 euros (four hundred and fifty thousand euros) as distribution of profits for the year.
- b) transfer to the retained earnings account of 97,295.99 euros (ninety-seven thousand two hundred and ninety-five euros and ninety-nine cents).

It should be noted that even after the proposed distribution, the level of equity will be (recorded in) more than 895 thousand euros.

e) The existence of company's branches

The company has no branches, 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 were any transactions carried out on own shares during the 2022 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.

Regarding risks, especially financial risks, there is nothing to emphasise 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 to the growth of **easypay**.

Lisbon, April 27th, 2023

Sebastião de Lancastre – The Board/Management

II - FINANCIAL STATEMENTS

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EASYPAY - INSTITUIÇÃO DE PAGAMENTO, LDA

BALANCE SHEET

(Amounts expressed in Euros)

Headings	Notes	12/31/2022	12/31/2021
EASYPAY - INSTITUIÇÃO DE PAGAMENTO, LDA			
BALANCE SHEET			
(Amounts expressed in Euros)			
ASSETS:			
Non-current assets:			
Tangible fixed assets	6	163,138.97	126,928.09
Intangible assets	7	149,022.97	137,626.71
Financial Investments – Equity method	8.6	52,154.47	44,258.44
Other non-current assets	8.7	9,925.30	9,781.33
		374,241.71	318,594.57
Current assets:			
Advance to supplier accounts	8.5	22,342.40	22,342.40
State and Other Public Entities	8.2	143,659.18	181,660.13
Other third-party debts	8.3	77,387.75	170,525.58
Other current assets	4.1/8.1	70,457.53	67,673.48
Cash and cash equivalent	4.1	11,628,679.56	7,027,526.56
		11,942,526.42	7,469,728.15
		12,316,768.13	7,788,322.72
Equity:			
Share capital	9	125,000.00	125,000.00
Legal reserves	9	25,000.00	25,000.00
Other reserves	9	632,364.16	1,116,139.57
Retained earnings	9	13,833.40	13,833.40
Adjustments to financial assets	9	2,627.26	2,627.26
Net Result for the period	9	547,295.99	515,929.74
		1,346,120.81	1,798,529.97
LIABILITIES:			
Non-current liabilities:			
		-	-
Liabilities:			
Suppliers	8.5	174,107.79	36,747.84
State and other public entities	8.2	312,294.07	253,800.88
Financing obtained	8.8	88,344.48	79,052.28
Other current creditors	8.4	10,395,900.98	5,620,191.75
		10,970,647.32	5,989,792.75
		10,970,647.32	5,989,792.75
		12,316,768.13	7,788,322.72

EASYPAY - INSTITUIÇÃO DE PAGAMENTO, LDA

STATEMENT OF RESULTS BY NATURES

(Amounts expressed in Euros)

Headings	Notes	12/31/2022	12/31/2021
EASYPAY - INSTITUIÇÃO DE PAGAMENTO, LDA			
STATEMENT OF RESULTS BY NATURES			
		(Amounts expressed in Euros)	
Headings	Notes	12/31/2022	12/31/2021
Service provision	10	3,896,920.92	3,485,631.46
Imputed gains/losses of subsidiaries, associates, and joint ventures	8.6	7,944.27	2,701.33
External Supply and Services	11	(2,040,119.60)	(1,946,014.03)
Personnel expenses	12	(1,031,214.37)	(743,467.14)
Other Income	13	12,842.92	10,299.62
Other Costs	14	(33,600.83)	(19,320.51)
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)		812,773.31	789,830.73
Expenses/reversals of depreciation and amortisation	15	(82,606.45)	(101,883.82)
Operating Profit (Earnings Before Interest and Taxes (EBIT))		730,166.86	687,946.91
Interest and similar expenses borne	16	(497.75)	(933.00)
Earnings Before Taxes (EBT)		729,669.11	687,013.91
Income tax for the period	17	(182,373.12)	(171,084.17)
Net Result for the period		547,295.99	515,929.74

EASYPAY - INSTITUIÇÃO DE PAGAMENTO LDA

STATEMENT OF CHANGES IN EQUITY2021

(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	Shareholders' Equity
EASYPAY - INSTITUIÇÃO DE PAGAMENTO LDA									
STATEMENT OF CHANGES IN EQUITY2021									
(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	Shareholders' Equity
Financial position as at 01-01-2021	1	125,000.00	25,000.00	556,480.39	13,833.40	2,627.26	671,710.28	1,394,651.33	1,394,651.33
Changes in the accounting period									
Fair Value Adjustment		-	-	948.90	-	-	-	948.90	948.90
Other changes recognised in Shareholders' Equity		-	-	558,710.28	-	-	(558,710.28)	-	-
	2	-	-	559,659.18	-	-	(558,710.28)	948.90	948.90
Net profit for the period	3	-	-	-	-	-	515,929.74	515,929.74	515,929.74
Comprehensive income	4=2+3	-	-	-	-	-	(42,780.54)	-	-
Transactions with Equity Holders in the accounting period									
Accounting distributions		-	-	-	-	-	(113,000.00)	(113,000.00)	(113,000.00)
	5	-	-	-	-	-	(113,000.00)	(113,000.00)	(113,000.00)
Financial position as at 31-12-2021	6=1+2+3+5	125,000.00	25,000.00	1,116,139.57	13,833.40	2,627.26	515,929.74	1,798,529.97	1,798,529.97

EASYPAY - INSTITUIÇÃO DE PAGAMENTO LDA

STATEMENT OF CHANGES IN EQUITY2022

(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	Shareholders' Equity
Financial position as at2022	6	125,000.00	25,000.00	1,116,139.57	13,833.40	2,627.26	515,929.74	1,798,529.97	1,798,529.97
Changes in the accounting period									
Fair Value Adjustment		-	-	294.85	-	-	-	294.85	294.85
	7	-	-	294.85	-	-	-	294.85	294.85
Net profit for the period	8	-	-	-	-	-	547,295.99	547,295.99	547,295.99
Comprehensive income	9=7+8	-	-	-	-	-	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)
	10	-	-	(484,070.26)	-	-	(515,929.74)	(1,000,000.00)	(1,000,000.00)
Financial position as at 31-12-2022	11=6+7+8+10	125,000.00	25,000.00	632,364.16	13,833.40	2,627.26	547,295.99	1,346,120.81	1,346,120.81

EASYPAY - INSTITUIÇÃO DE PAGAMENTO LDA

CASH FLOW STATEMENT

(Amounts expressed in Euros)

Headings	Notes	12/31/2022	12/31/2021
EASYPAY - INSTITUIÇÃO DE PAGAMENTO LDA			
CASH FLOW STATEMENT			
(Amounts expressed in Euros)			
Headings	Notes	12/31/2022	12/31/2021
Cash flows from operational activities – direct method			
Payments from customers		8,089,764.17	4,266,100.59
Payments to suppliers		(579,429.95)	(629,171.69)
Payments to staff		(910,126.23)	(720,476.38)
Cash generated by operations		6,600,207.99	2,916,452.52
Income tax received/paid		(182,469.02)	(313,191.91)
Other receipts/payments		(735,169.37)	(1,621,270.87)
Cash flow from operating activities (1)		5,682,569.60	981,989.74
Cash flow from Investing Activities			
Payments related to:			
Fixed Tangible Assets		(18,855.20)	(20,267.28)
Intangible Assets		(17,997.56)	(53,431.20)
Receipts related to:			
Interests and similar income		4.50	4.50
Cash flow from investment activities (2)		(36,848.26)	(73,693.98)
Cash flow from investment activities			
Payments related to:			
Borrowings		(44,273.49)	(71,031.58)
Interests and other similar expenses		-	(933.00)
Dividends		(1,000,000.00)	(148,000.00)
Cash flow from investment activities (3)		(1,044,273.49)	(219,964.58)
Change in cash and cash equivalents (1+2+3)		4,601,447.85	688,331.18
Change in cash and cash equivalents at the beginning of the period		7,035,080.21	6,346,749.03
Change in cash and cash equivalents at the end of the period	4.1	11,636,528.06	7,035,080.21
		7,848.50	7,553.65

ATTACHMENT TO THE FINANCIAL STATEMENTS

1. IDENTIFICATION OF THE ORGANISATION

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 Services Activities N.E.C.**

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 Camara 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 Fidentiis 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 and 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 1 January 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. From now on, 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 against 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 material 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 appendix.

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.

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 Other Constructions	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/Software	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 management intends to dispose of the investment within 12 months of 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, 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. IFRS 16 – LEASES

The Company adopted the application of IFRS 16 on 1 January 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 property, plant, and equipment to which 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 (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 Regulatory 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.

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 utilisation.

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.

Offsetting deferred tax assets and liabilities 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 levied 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 money market treasury investments, net of bank overdrafts and other equivalent short-term financing. Cash and cash equivalents at 31/12/2022 and 31/12/2021 are detailed as follows:

	<u>2022</u>	<u>2021</u>
Cash	0.80	0.80
Current accounts	11,583,678.76	6,982,525.76
Time deposits	45,000.00	45,000.00
Treasury applications	7,848.50	7,553.65
	<u>11,636,528.06</u>	<u>7,035,080.21</u>
	7,848.50	7,553.65

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 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 12/31/2022 and 12/31/2021, the movements occurred in the carrying amount of tangible fixed assets, as well as in the respective accumulated depreciation, were the following:

	Gross asset						
	Balance as at 01-01-2021	Increases and revaluations	Disposals and write-offs	Balance as at 31-12-2021	Increases and revaluations	Disposals and write-offs	Balance as at 31-12-2022
Buildings and other constructions	40,523.73	-	-	40,523.73	18,855.20	-	59,378.93
Right to use - Buildings and other constructions	223,663.46	49,408.00	-	273,071.46	49,408.00	-	322,479.46
Basic equipment	198,274.05	18,050.86	-	216,324.91	8,614.83	-	224,939.74
Transport equipment	55,061.55	-	(24,990.00)	30,071.55	17,997.56	-	48,069.11
Right to use – Transport equipment	67,028.25	-	-	67,028.25	-	(67,028.25)	-
Administrative equipment	10,599.51	-	-	10,599.51	-	-	10,599.51
Right to use – Administrative Equipment	10,150.07	-	(10,150.07)	-	23,823.00	-	23,823.00
	605,300.62	67,458.86	(35,140.07)	637,619.41	118,698.59	(67,028.25)	689,289.75
	Accumulated depreciations						
	Balance as at 01-01-2021	Increases	Disposals and write-offs	Balance as at 31-12-2021	Increases	Disposals and write-offs	Balance as at 31-12-2022
Buildings and other constructions	24,907.94	1,531.11	-	26,439.05	1,937.49	-	28,376.54
Right to use - Buildings and other constructions	152,901.46	50,160.00	-	203,061.46	50,160.00	-	253,221.46
Basic equipment	165,068.91	21,002.12	-	186,071.03	13,202.05	-	199,273.08
Transport equipment	42,608.51	10,168.51	(24,990.00)	27,787.02	4,909.17	-	32,696.19
Right to use – Transport equipment	40,137.25	16,596.00	-	56,733.25	10,295.00	(67,028.25)	-
Administrative equipment	10,456.45	143.06	-	10,599.51	-	-	10,599.51
Right to use – Administrative Equipment	7,867.05	2,283.02	(10,150.07)	-	1,984.00	-	1,984.00
	443,947.57	101,883.82	(35,140.07)	510,691.32	82,487.71	(67,028.25)	526,150.78
	Tangible Fixed Assets						
	Variations			Variations			Balance as at 31-12-2022
Balance as at 01-01-2021	Gross asset	Accumulated depreciations	Balance as at 31-12-2021	Gross asset	Accumulated depreciations		
Buildings and other constructions	15,615.79	-	(1,531.11)	14,084.68	18,855.20	(1,937.49)	31,002.39
Right to use - Buildings and other constructions	70,762.00	49,408.00	(50,160.00)	70,010.00	49,408.00	(50,160.00)	69,258.00
Basic equipment	33,205.14	18,050.86	(21,002.12)	30,253.88	8,614.83	(13,202.05)	25,666.66
Transport equipment	12,453.04	(24,990.00)	14,821.49	2,284.53	17,997.56	(4,909.17)	15,372.92
Right to use – Transport equipment	26,891.00	-	(16,596.00)	10,295.00	(67,028.25)	(10,295.00)	-
Administrative equipment	143.06	-	(143.06)	(0.00)	-	-	(0.00)
Right to use – Administrative Equipment	2,283.02	(10,150.07)	7,867.05	(0.00)	23,823.00	(1,984.00)	21,839.00
	161,353.05	32,318.79	(66,743.75)	126,928.09	51,670.34	(82,487.71)	163,138.97

The item 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 Regulatory Decree number 25/2009.

7. INTANGIBLE ASSETS

During the periods ended on 31/12/2022 and 31/12/2021, 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 01-01-2021	Increases and revaluations	Disposals and write-offs	Balance sheet as at 31-12-2021	Increases and revaluations	Disposals and write-offs	Balance as at 31-12-2022
Software Programs	65.04	-	-	65.04	4,275.00	-	4,340.04
Industrial Property	930.16	-	-	930.16	-	-	930.16
Intangible assets in progress	78,505.71	59,120.00	-	137,625.71	-	-	137,625.71
	79,500.91	59,120.00	-	138,620.91	4,275.00	-	142,895.91

Accumulated depreciations

	Balance as at 01-01-2021	Increases	Disposals and write-offs	Balance as at 31-12-2021	Increases	Disposals and write-offs	Balance as at 31-12-2022
Software Programs	65.04	-	-	65.04	118.74	-	183.78
Industrial Property	929.16	-	-	929.16	-	-	929.16
	994.20	-	-	994.20	118.74	-	1,112.94

Intangible Fixed Assets

	Balance as at 01-01-2021	Gross Asset	Accumulated depreciations	Balance as at 31-12-2021	Gross Asset	Accumulated depreciations	Balance as at 31-12-2022
Software Programs	-	-	-	-	4,275.00	(118.74)	4,156.26
Industrial Property	1.00	-	-	1.00	-	-	1.00
Intangible assets in progress	78,505.71	59,120.00	-	137,625.71	7,240.00	-	144,865.71
	78,506.71	59,120.00	-	137,626.71	11,515.00	(118.74)	149,022.97

The value of intangible assets in progress (78,505.71 euros) related to the Abypay project developed by **easypay** and the onboarding project (66,360 euros) is recorded under this heading.

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 31/12/2022 and 31/12/2021 is presented below:

FINANCIAL ASSETS	2022		2021	
	Gross amount	Net amount	Gross amount	Net amount
BCP	7,848.50	7,848.50	7,553.65	7,553.65
	7,848.50	7,848.50	7,553.65	7,553.65

The breakdown of active deferrals on 12/31/2022 and 12/31/2021 is presented below:

	2022	2021
Software/IT	6,401.14	3,989.49
Insurance	40,601.22	40,974.68
Others	15,606.67	15,155.66
	62,609.03	60,119.83

8.2 STATE AND OTHER PUBLIC ENTITIES

We present below the breakdown of the heading “state and other public entities” on 31/12/2022 and 31/12/2021:

	2022	2021
Tax Authority	129,751.79	55,649.11
Social Security	38,883.10	16,491.64
	168,634.89	72,140.75
Debit balance		
IRC – To be recovered	143,659.18	181,660.13
	143,659.18	181,660.13
Credit balance		
Current		
IRC - To be paid	182,373.12	171,084.17
IRS - Withhold Personal Income Tax	24,608.25	9,789.16
IVA - To be paid	66,429.60	56,435.91
Social Security Contribution	38,883.10	16,491.64
	312,294.07	253,800.88

There are no overdue payments to the State. The amounts presented correspond to values calculated in December 2022.

8.3 OTHER DEBTS OF THIRD PARTIES

The breakdown of "other accounts receivable" on 31/12/2022 and 31/12/2021 is presented below:

	2022		2021	
	Current	Total	Current	Total
Suppliers	3,144.65	3,144.65	2,611.47	2,611.47
SSL	32,107.52	32,107.52	112,685.52	112,685.52
Credorax deposit	25,000.00	25,000.00	25,000.00	25,000.00
Payvision deposit	-	-	30,000.00	30,000.00
Others	17,135.58	17,135.58	228.59	228.59
	77,387.75	77,387.75	170,525.58	170,525.58
	2022		2021	
	Current	Total	Current	Total
Personnel	243.40	243.40	296.55	296.55
Creditors for accrual of expenses	206,516.49	206,516.49	141,623.66	141,623.66
Other creditors	10,188,655.88	10,188,655.88	5,477,568.99	5,477,568.99
	10,395,415.77	10,395,415.77	5,619,489.20	5,619,489.20

8.4 OTHER CURRENT CREDITORS

The breakdown of “other current creditors” on 31/12/2022 and 31/12/2021 is as follows:

	2022		2021	
	Current	Total	Current	Total
Personnel	243.40	243.40	296.55	296.55
Creditors for accrual of expenses	206,516.49	206,516.49	141,623.66	141,623.66
Other creditors	10,188,655.88	10,188,655.88	5,477,568.99	5,477,568.99
	10,395,415.77	10,395,415.77	5,619,489.20	5,619,489.20

The amount presented in Creditors for Accruals of Expenses corresponds to the remunerations to be settled and expenses for 2021.

Under the heading “other creditors” are the amounts belonging to customers and being returned in future months. These amounts are considered as amounts in transit in **easypay**’s accounts.

DEFERRALS

The breakdown of passive deferrals on 31/12/2022 and 31/12/2021 is presented below:

	2022	2021
Income to be recognised	485.21	702.55
	485.21	702.55

The amount presented corresponds to the turnover issued by the company in 2022, whose income should only be recognised in future periods.

8.5 SUPPLIERS

The breakdown of suppliers on 31/12/2022 and 31/12/2021 is presented as follows:

	2022		2021	
	Current	Total	Current	Total
Suppliers - current account	174,107.79	174,107.79	36,747.84	36,747.84
Advance to suppliers	(22,342.40)	(22,342.40)	(22,342.40)	(22,342.40)
	151,765.39	151,765.39	14,405.44	14,405.44
		-		-
		-		-

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, Lisbon.

The structure of the company owned by **easypay** is as follows on 31/12/2022 and 31/12/2021:

Lisbon

Financial participations:

SSL	Measurement	Total assets	Total liabilities	Income	Expenses	Net Income
	EM	1,032,866.44	664,046.09	148,544.53	119,386.43	22,511.12
	EM	1,193,280.25	758,659.66	246,791.80	156,942.36	65,800.24

During the financial year ended at 31 December 2022 and 2021, the movement in the items “Financial holdings – Equity equivalents” was as follows:

Financial participations:	2022	2021
	EM	EM
SSL	52,154.47	44,258.44
	52,154.47	44,258.44

As at 31 December 2022 and 2021, the Company reported the following imputed gains/losses of subsidiaries, associates and joint ventures:

	<u>2022</u>	<u>2021</u>
	EM	EM
Financial participations:		
SSL	7,944.27	2,701.33

The balances referred to below relate to transactions carried out between **easypay** and SSL during the year 2022 and 2021:

	<u>2022</u>	<u>2021</u>	
	Clients	Financing	Other accounts receive/pay
SSL			112,685.52
			<u><u>112,685.52</u></u>
Purchases	<u>2022</u>	<u>2021</u>	
SSL	146,274.80	146,274.80	
	<u><u>146,274.80</u></u>	<u><u>146,274.80</u></u>	

8.7. OTHER NON-CURRENT ASSETS

In 2022, the amount of 9,925.30 euros (9,781.33 euros in 2021) 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 2022, the Company reported the following financing, referring to financial leases resulting from the application of IFRS 16:

	<u>2022</u>	<u>2021</u>
Contract 227815 MINI (33-UU-20)	-	4,890.00
Contract 5002189 PEUGEOT	-	5,701.28
Office Rental Contract	66,401.00	68,461.00
Contract NEWRENT 0105566	<u>21,943.48</u>	<u>-</u>
	<u>88,344.48</u>	<u>79,052.28</u>

9. SHAREHOLDERS EQUITY INSTRUMENTS

The breakdown of shareholders equity on 31/12/2021 and 31/12/2020 is as follows:

	<u>2022</u>	<u>2021</u>
Share capital	125,000.00	125,000.00
Reserves	657,364.16	1,141,139.57
Retained earnings	13,833.40	13,833.40
Adjustments in financial assets	2,627.26	2,627.26
Subtotal	<u>798,824.82</u>	<u>1,282,600.23</u>
Net result of the period	547,295.99	515,929.74
Total	<u>1,346,120.81</u>	<u>1,798,529.97</u>

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 31/12/2022, this item presents the value of 632,364.16 euros, due to the distribution to shareholders of the amount of 484,070.26 euros, as resolved in the 2021 minutes of the application of results, and due to the variation in the fair value of BCP’s shares, in the amount of 294.85 euros.

Application of results

In 2022, it was decided at the General Meeting that the net result for the 2021 financial year, in the amount of 515,929.74 euros, would be distributed to the shareholders. It was also decided to distribute the amount of 484,070.26 euros of free reserves, so that the total amount distributed to the partner Sebastião José de Lancastre was 930,000 euros and to the partner Fidentiis Gestión, S.G.I.I.C, S.A. the remainder of 70,000 euros.

10. SERVICE PROVISION

The revenue recognized by the Entity on 12/31/2022 and on 12/31/2021 is detailed as follows:

	2022	2021
	Face Value	Face value
Provision of services		
Fees	3,885,414.96	3,473,231.43
Packages	11,505.96	12,400.03
	3,896,920.92	3,485,631.46

11. EXTERNAL SUPPLIES AND EXTERNAL SERVICES

The records in external supplies and services occurred as follows:

	2022	2021
Specialized work	526,226.63	477,727.00
Bank/financing services	1,315,942.80	1,245,653.22
Advertising and communication costs	12,519.99	2,999.98
Fees	26,162.16	55,232.92
Commissions	42,581.26	71,570.51
Maintenance and repair	3,914.52	1,142.50
Quick wear tools and utensils	6,808.78	9,810.40
Office supplies	7,125.85	2,996.85
Gift items	9,207.79	11,321.88
Electricity	3,052.78	2,344.41
Fuel/Gas	4,816.86	2,682.22
Water	829.56	829.56
Travel and transportation costs	10,304.71	5,934.01
Rents and leases	2,057.22	1,255.95
Communication	9,112.10	9,047.90
Insurance costs	26,458.33	26,535.22
Litigation and Notaries	109.31	500.75
Representation expenses	27,762.50	15,097.86
Hygiene, cleanliness, and comfort	5,126.45	3,330.89
	2,040,119.60	1,946,014.03

12. PERSONNEL EXPENSES AND EMPLOYEES' BENEFITS

The average number of persons employed by the Entity on 31/12/2022 and 31/12/2021 was 27 and 23 persons respectively:

	2022	2021
Personnel costs	805,877.57	590,460.60
Charges on remunerations	187,797.97	134,211.83
Compensations	4,230.00	700.84
Insurance for accidents at work and occupational diseases	6,511.96	4,202.10
Other personnel expenses	26,796.87	13,891.77
	1,031,214.37	743,467.14

13. OTHER INCOME

The records in other income and gains occurred as follows:

	2022	2021
Other income and gains	12,830.30	10,295.12
Interests, dividends, and other similar income	12.62	4.50
	12,842.92	10,299.62

14. OTHER COSTS

The records in other gains and losses occurred as follows:

	2022	2021
Taxes	675.52	541.02
Other Gains and Losses	32,925.31	18,736.62
Default Interest	-	42.87
	33,600.83	19,320.51

15. DEPRECIATION AND AMORTISATION

The records in depreciation and amortisation occurred as follows:

	2022	2021
Tangible fixed assets		
Buildings and other constructions	1,937.49	1,531.11
Right to use - Buildings and other constructions	50,160.00	50,160.00
Basic equipment	13,202.05	21,002.12
Transport equipment	10,699.17	10,168.51
Right to use – Transport equipment	4,505.00	16,596.00
Administrative equipment	1,984.00	143.06
Right to use – Administrative Equipment	118.74	2,283.02
	82,606.45	101,883.82

16. FINANCING EXPENSES

The records in financing expenditures occurred as follows:

	2022	2021
Interest rates and similar expenses borne		
Interest borne	497.75	933.00
	497.75	933.00

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 2019 to 2022 may still be subject to review.

The Entity's Board of Directors believes that any corrections resulting from reviews/inspections by the tax authorities of those tax returns will not have a significant effect on the financial statements in 2022.

	2022	2021
Current tax	182,373.12	171,084.17
	182,373.12	171,084.17
Reconciliation of the effective tax rate		
	2022	2021
Earnings before Tax	729,669.11	687,013.91
Accruals to the taxable amount		
Corrections of previous years	483.74	1,281.63
Undocumented expenses	-	149.00
Penalties, fines, compensatory interest	953.00	435.79
Charges not properly documented	30,945.27	16,188.90
Charges for car rental without driver	2,354.58	5,651.00
EM - Equity Method	-	-
50% added value with reinvestment intention	-	5,000.00
Others	22,205.65	22,328.65
Deductions from the tax base		
EM - Equity Method	(7,896.03)	(2,992.65)
Accounting capital gains	-	(10,000.00)
Tax benefits	(270.00)	(270.00)
Tax result	778,445.32	724,786.23
Collect	778,445.32	724,786.23
Effective tax rate	162,473.52	151,205.11
Municipal surcharge	11,676.68	10,871.79
Autonomous taxation	8,222.92	9,007.27
Current tax	182,373.12	171,084.17

18. OTHER BANK GUARANTEES AND GUARANTEES PROVIDED

As at 31 December 2022, the entity had the following guarantees provided as a result of public contracts

Bank	Name of the Beneficiary	Value
BCP	EMEL	45,000.00 €
		45,000.00 €

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 for the commercial transactions made through the Words Euphoria online shop, crediting these amounts, less the service fee, to Words Euphoria's bank account, which at that time totalled 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 in the payments made.

easypay has thus suffered property damage totalling 161,098.76 euros in that it 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."

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

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.