

RichReach Corporation Public Ltd

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1st of January 2022 to 30th of June 2022

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	George Koufaris Antonis Karitzis Christakis Ierides George Rousou Epaminondas Metaxas
Company Secretary	Karanto Secretarial Limited
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors Jean Nouvel Tower 6 Stasinou Avenue PO Box 21656 1511 Nicosia, Cyprus
Registered Office	228 Archiepiskopou Makariou III Agios Pavlos Court, Block B' 4th floor, flat/office 411-412 3030, Limassol, Cyprus
Business Office	61A Larnakos Avenue, Office 402 2101 Aglandjia, Nicosia, Cyprus
Bankers	Eurobank Cyprus Ltd Bank of Cyprus Public Company Ltd
Registration number	HE 359049

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1st of January 2022 to 30th of June 2022

	Note	01/01/2022 – 30/06/2022		01/01/2021 – 30/06/2021	
		Unaudited		Unaudited	
		€	Margin	€	Margin
Revenue	6	217,606		221,740	
Cost of Sales	7	(84,655)	(38.9%)	(106,004)	(47.8%)
Gross Profit		132,950	61.1%	115,736	52.2%
Other Operating Income		1,505		3,018	
Selling and Distribution Expenses	8	(26,781)	(12.3%)	(25,176)	(11.4%)
Administrative Expenses	9	(55,967)	(25.7%)	(54,786)	(24.7%)
Earnings / (Losses) Before Interest, Tax, Depreciation & Amortisation (EBITDA)		51,708	23.8%	38,792	17.5%
Finance Income		-	-	2	0.0%
Finance Costs	11	(642)	(0.3%)	(769)	(0.3%)
Expenses related to the listing of the Company's Shares at the Stock Exchange and Share Capital and Corporate Events	12	(9,042)	(4.2%)	(14,607)	(6.6%)
Depreciation	16	(2,495)	(1.1%)	(4,088)	(1.8%)
Amortisation	14	(59,118)	(27.2%)	(101,756)	(45.9%)
Profit / (Loss) before Tax		(19,590)	(9.0%)	(82,426)	(37.2%)
Tax		(993)	(0.5%)	-	0.0%
Net Profit / (Loss) for the Year		(20,583)	(9.5%)	(82,426)	(37.2%)
Profit / (Loss) per share attributable to the Shareholders of the Company (cents)	13	(0.18)		(0.73)	

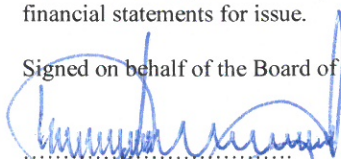
The notes on pages 8 to 19 are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30th of June 2022

	as at Note	30/06/2022 Unaudited	31/12/2021 Audited
ASSETS		€	€
Non-Current Assets			
RichReach Application ecosystem	14	291,564	284,460
Equipment that support the RichReach Application ecosystem	16	-	-
Furniture & Office Equipment	16	3,251	4,183
Computer Hardware	16	9,496	8,244
Software & Infrastructure	14	357	476
Goodwill on Acquisition of Subsidiary	15	-	-
Deferred Tax Assets		-	-
		<u>304,669</u>	<u>297,364</u>
Current Assets			
Trade and other Receivables	17	35,961	45,096
Cash and Cash Equivalents	18	13,008	24,694
		<u>48,969</u>	<u>69,790</u>
Total Assets		<u>353,638</u>	<u>367,154</u>
EQUITY AND LIABILITIES			
Equity			
Ordinary Share Capital	19	568,946	566,487
Share Premium		679,935	557,894
Accumulated Losses		(1,014,138)	(993,555)
		<u>234,744</u>	<u>130,827</u>
Advancements from Shareholders	20	-	124,500
		<u>234,744</u>	<u>255,327</u>
Current Liabilities			
Trade and Other Payables	21	44,878	57,612
Borrowings	22	-	-
Current Tax Liabilities	23	5,143	5,143
		<u>50,021</u>	<u>62,755</u>
Long Term Liabilities			
Payables to Related Parties	24	68,874	49,073
		<u>68,874</u>	<u>49,073</u>
Total Equity and Liabilities		<u>353,638</u>	<u>367,154</u>

On the 23rd of September 2022, the Board of Directors of RichReach Corporation Public Ltd authorised these unaudited consolidated financial statements for issue.

Signed on behalf of the Board of Directors:


Christakis Ierides – Director


George Rousou – Director

The notes on pages 8 to 19 are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1st of January 2022 to 30th of June 2022

	Note	Share Capital €	Share Premium €	Advancemen ts from Shareholders €	Accumulat ed Losses €	Total €
Balance at 1st of January 2021		564,908	473,973	60,000	(581,463)	517,418
Issue of Share Capital	19	1,579	83,921	(85,500)		-
Proceeds during the period	20			50,500		50,500
Net Loss for the period					(82,426)	(82,426)
Balance at 30th of June 2021 / 1st of July 2021		566,487	557,894	25,000	(663,889)	485,492
Issue of Share Capital	19					-
Proceeds during the period	20			99,500		99,500
Net Loss for the period					(329,666)	(329,666)
Balance at 31st December 2021 / 1st of January 2022		566,487	557,894	124,500	(993,555)	255,327
Issue of Share Capital	19	2,459	122,041	(124,500)		-
Proceeds during the period	20					-
Net Loss for the period					(20,583)	(20,583)
Balance at 30th of June 2022		568,946	679,935	-	(1,014,138)	234,744

Share premium is not available for distribution. In accordance with the Articles of Association, the Company can move to the concession of free and/or bonus shares to the existing shareholders of the Company against reduced or zero consideration. The aforementioned shares will be provided and covered from the share premium account, statement of comprehensive income, retained earnings and quasi-capital funds and/or in any other way the Law and Articles of Association allow, and these shares will be considered fully paid.

The advances from shareholders are made available to the Board of Directors for future increases of the share capital of the Company. Note that the increases of the share capital of the Company are completed when the additional shares start trading at the Emerging Companies Market of the Cyprus Stock Exchange.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1st of January 2022 to 30th of June 2022

	Note	01/01/2022 – 30/06/2022 Unaudited €	01/01/2021 – 30/06/2021 Unaudited €
Cash Flow from Operating Activities			
Net Profit / (Loss) before tax		(19,590)	(82,426)
<u>Adjustments for:</u>		-	-
Depreciation		2,495	4,088
Amortisation		59,118	101,756
Interest Income		-	(2)
Interest Expense		-	33
		42,023	23,449
Changes in Working Capital			
Decrease / (Increase) in Trade and other Receivables	17	9,135	2,766
(Decrease) / Increase in Trade and other Payables	21	(12,734)	5,714
(Decrease) / Increase in Payables to Related Parties	23	19,801	6,029
		58,225	37,958
Cash generated from Operations			
Cash Flow from Investing Activities			
Investment in Internally Generated Intangible Fixed Assets (the RichReach Application ecosystem)	14	(66,103)	(67,735)
Investment in Intangible Fixed Assets	14	-	-
Investment in Tangible Fixed Assets	16	(2,815)	(868)
Interest Received		-	2
		(68,919)	(68,600)
Cash Flow from Financing Activities			
Proceeds from Issue of Share Capital		-	-
Advancements from Shareholders	20	-	50,500
Proceeds from Borrowings	22	-	-
Repayment of Borrowings	22	-	(1,217)
Taxed paid		(993)	-
Interest Paid	11	-	(33)
		(993)	49,250
Net Cash from Financing Activities			
Net Increase / (Decrease) in Cash and Cash Equivalents		(11,686)	18,608
Cash and Cash Equivalents at the beginning of the period		24,694	5,275
Cash and Cash Equivalents at the end of the period		13,008	23,883

The notes on pages 8 to 19 are an integral part of these unaudited consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1st of January 2022 to 30th of June 2022

1. Corporate Information

Country of incorporation

RichReach Corporation Public Ltd (the "Company") was incorporated in Cyprus on 11 August 2016 as a public limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

On 10 January 2019, the Cyprus Stock Exchange (CSE) announced the listing of the Company on the CSE Emerging Companies Market. The trading of the shares of the Company, has commenced on 16 January 2019.

The Company's registered office is at Archiepiskopou Makariou III, 228, Agios Pavlos Court, Block B', 4th floor, Flat 411-412, 3030, Limassol, Cyprus.

Principal Activities

The principal activity of the Group is the development, support, licencing, operation and promotion of the multifunction RichReach Application ecosystem available for smart devices.

2. Basis of preparation and measurement

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes that the group will continue to operate for the foreseeable future.

3. Summary of Significant Accounting Policies

Please refer to Note 3: "Adoption of new or revised standards and interpretations" and to Note 4: "Summary of significant accounting policies" of the Audited Consolidated Financial Statements for the Year ended 31 December 2021.

4. Financial Risk Management Objectives and Policies

Please refer to Note 5: "Financial Risk management objectives and policies" of the Audited Consolidated Financial Statements for the Year ended 31 December 2021.

5. Critical Accounting Estimates, Judgments and Assumptions

Please refer to Note 6: "Critical Accounting Estimates, Judgments and Assumptions" of the Audited Consolidated Financial Statements for the Year ended 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2022 to 30th of June 2022

6. Revenue

	01/01/2022 – 30/06/2022 Unaudited €	01/01/2021 – 30/06/2021 Unaudited €
<u>RichReach Application ecosystem Corporate Modules</u>		
eLearning	3,000	2,500
Human Resources	11,238	300
Point of Sale	7,460	5,342
Salesman Ordering	10,640	8,130
	<u>32,338</u>	<u>16,272</u>
<u>RichReach Application ecosystem Consumer Functions</u>		
vShop	8,700	4,150
eShop	2,000	21,850
Reservations	-	100
Marketing & Loyalty	19,290	19,235
	<u>29,990</u>	<u>45,335</u>
<u>Other RichReach Application ecosystem Revenue</u>		
Consumer & Corporate Applications	2,100	4,300
Dedicated Cloud Servers	2,196	
	<u>4,296</u>	<u>4,300</u>
<u>Communication Functions</u>		
Business Communications	11,168	9,446
Trades, Professionals & Entertainment	5,097	3,463
Content & Monetisation Services		27,676
Voice Services		4,845
	<u>16,265</u>	<u>45,430</u>
<u>Other Revenue</u>		
Business Digitalisation	70,270	70,470
Medical Functions	64,447	39,932
	<u>134,717</u>	<u>110,402</u>
Total Revenue	<u>217,606</u>	<u>221,740</u>

Segmental Analysis

The Group is organised into a single operating segment based on the services provided in Cyprus. The segment has similar characteristics in the nature of the process, type of end customers and distribution methods.

The Group's services include mainly the development, support, licencing, operation and promotion of the multifunction RichReach Application ecosystem available for smart devices. Currently the Group only operates in Cyprus and the main clients of the Group are medium to large corporate clients. Management monitors the operating results of the business segment separately for the purposes of performance, assessment and resource allocation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1st of January 2022 to 30th of June 2022

7. Cost of Sales

	01/01/2022 – 30/06/2022	01/01/2021 – 30/06/2021
	Unaudited	Unaudited
	€	€
<u>RichReach Application ecosystem</u>		
Research & Development	33,193	39,520
Infrastructure	11,007	10,276
	<u>44,200</u>	<u>49,796</u>
<u>Communication Functions</u>		
Trades, Professionals & Entertainment, Content & Monetisation Services	2,517	9,093
Other Communication Services	6,672	8,681
	<u>9,189</u>	<u>17,775</u>
<u>Other</u>		
Business Digitalisation	-	-
Medical Functions	29,879	33,901
Revenue Collection Fees	182	4,532
Other Costs	1,205	-
	<u>31,266</u>	<u>38,433</u>
Total Cost of Sales	<u>84,655</u>	<u>106,004</u>

8. Selling and Distribution Expenses

	01/01/2022 – 30/06/2022	01/01/2021 – 30/06/2021
	Unaudited	Unaudited
	€	€
Advertising Costs	363	1,437
Promotion Costs	26,417	23,739
	<u>26,781</u>	<u>25,176</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2022 to 30th of June 2022

9. Administrative Expenses

	Note	01/01/2022 – 30/06/2022 Unaudited €	01/01/2021 – 30/06/2021 Unaudited €
Staff costs	10	15,595	16,500
Rent		6,600	6,600
Common expenses		360	360
Licenses and taxes		-	2,426
Municipality taxes		-	-
Annual companies levy		700	-
Electricity		1,534	1,791
Water supply and cleaning		960	1,090
Insurance		219	355
Sundry expenses		4,001	1,604
Telephone, internet and postage		1,336	2,016
Stationery and printing		46	71
Subscriptions and contributions		90	84
Equipment maintenance		16	-
Computer supplies and maintenance		296	998
Computer Hardware		314	74
Computer Software		1,055	983
Auditors' remuneration - current year		-	-
Auditors' remuneration - prior year		-	-
Other professional fees		1,520	2,153
Secretarial fees and registered office fees		825	555
Inland travelling and accommodation		20	59
Motor vehicle running costs		3,235	4,550
External Operations & Accounting Services		13,745	12,519
India Team Infrastructure Costs		3,500	-
Investor Expenditure		-	-
		55,967	54,786

10. Staff Costs

	Note	01/01/2022 – 30/06/2022 Unaudited €	01/01/2021 – 30/06/2021 Unaudited €
Directors' and management fees	24.1	12,047	14,360
RichReach Application ecosystem R&D personnel costs		18,937	23,409
Social Insurance Costs		3,238	4,378
Employee Benefits		1,753	-
		35,974	42,147

The number of employees employed by the Company during the first six months of 2022 and the first six months of 2021 were 3 and 4 respectively. These figures do not include external contractors on a full or part-time basis.

Staff costs directly associated with identifiable and unique application products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as internally generated intangible assets (the RichReach Application ecosystem). Staff costs relating to the research and development of the RichReach Application ecosystem that cannot be recognised as internally generated intangible assets are written off in the Cost of Sales expense: Research and Development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2022 to 30th of June 2022

11. Finance Costs

	01/01/2022 – 30/06/2022 Unaudited €	01/01/2021 – 30/06/2021 Unaudited €
Interest expense	--	33
Sundry finance expenses	642	736
	<u>642</u>	<u>769</u>

12. Expenses relating to the listing of the Company's Shares at the Stock Exchange and Share Capital and Corporate Events

	01/01/2022 – 30/06/2022 Unaudited €	01/01/2021 – 30/06/2021 Unaudited €
Cyprus Stock Exchange Recurring Fees	4,050	4,050
Nominated Advisor Fees	2,700	2,500
Other expenses related to the Cyprus Stock Exchange and Investors	1,192	474
Finder's Fees	-	5,050
Cyprus Stock Exchange New Shares Listing Fees	1,100	2,533
	<u>9,042</u>	<u>14,607</u>

13. Profit / (Loss) per share attributable to the Shareholders of the Company

	01/01/2022 – 30/06/2022 Unaudited	01/01/2021 – 30/06/2021 Unaudited
Loss attributable to the Shareholders	(20,583)	(82,426)
Weighted average number of ordinary shares during the period	11,378,921	11,329,746
Loss per ordinary share attributable to the Shareholders (€ cents)	(0.1809)	(0.7275)

14. Intangible Fixed Assets & Amortisation

	RichReach Application ecosystem * Unaudited €	Software & Infrastructure Unaudited €	Goodwill on Acquisition of Subsidiary (note 15) Unaudited €
Cost			
Balance at 01 January 2021	948,450	21,153	159,701
Additions during 01/01/2021 – 30/06/2021	67,735	-	-
Balance at 30 June 2021	1,016,184	21,153	159,701
Additions during 01/07/2021 – 31/12/2021	61,951	-	-
Amount Written Off during 01/07/2021 – 31/12/2021	(336,621)	(19,850)	(159,701)
Balance at 31 December 2021	741,514	1,303	-
Additions during 01/01/2022 – 30/06/2022	66,103	-	-
Balance at 30 June 2022	<u>807,617</u>	<u>1,303</u>	<u>-</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2022 to 30th of June 2022

14. Intangible Fixed Assets & Amortisation (continued)

	RichReach Application ecosystem *	Software & Infrastructure	Goodwill on Acquisition of Subsidiary (note 15)
	Unaudited	Unaudited	Unaudited
	€	€	€
Amortisation			
Balance at 01 January 2021	575,794	20,402	-
Amortisation during 01/01/2021 – 30/06/2021	101,618	138	-
Balance at 30 June 2021	677,412	20,540	-
Amortisation during 01/07/2021 – 31/12/2021	114,011	137	-
Amortization on Amount Written Off during 01/07/2021 – 31/12/2021	(334,369)	(19,850)	-
Balance at 31 December 2021	457,054	827	-
Amortisation during 01/01/2022 – 30/06/2022	58,999	119	-
Balance at 30 June 2022	516,053	946	-
Net Book Value			
at 30 June 2021	338,772	613	159,701
at 31 December 2021	284,460	476	-
at 30 June 2022	291,564	357	-

* Internally generated intangible assets

15. Goodwill on Acquisition of Subsidiary

On 1 January 2017 the Company acquired 100% of the shares in RichReach Corporation (CY) Ltd. This has resulted in the business being wholly consolidated within the Company's results from this date.

The cost of the purchase was in exchange of shares of the Company for the amount of €111.000. The net assets acquired were as follows:

	Net Book Value as at 1 January 2017 (Audited)	Fair Value as at 1 January 2017 (Audited)
	€	€
Equipment, software and infrastructure that support the RichReach Application ecosystem	46,795	46,795
Office & Computer Equipment	16,378	16,378
Trade and other Receivables	14,906	14,906
Cash in hand and at bank	2,773	2,773
Trade and other Payables	(89,812)	(89,812)
Company's balance with RichReach Corporation (CY) Ltd	(39,741)	(39,741)
Total Net Asset Acquired	(48,701)	(48,701)
Consideration paid:		
Shares allotted (30,000 x €3.70)		111,000
		111,000
Goodwill		159,701

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1st of January 2022 to 30th of June 2022

15. Goodwill on Acquisition of Subsidiary (continued)

Goodwill

Goodwill represents the premium paid to acquire the business of RichReach Corporation (CY) Ltd and is measured at cost less any accumulated impairment losses.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating units using a suitable discount rate in order to calculate present value.

The recoverable amount has been determined based on the value in use calculation using cash flow projections based on financial plans approved by the board. The review has been based on the results and forecasts of the Group.

Impairment Assessment

The subsidiary RichReach Corporation (CY) Ltd is the CGU to which goodwill and development costs are allocated.

During 2021, the following events and circumstances led to impairment of goodwill and development costs:

- Impairment assessment of development costs: Due to the discontinuation of services, the development costs previously capitalised, will no longer generate revenue.
- Impairment assessment of goodwill:
 - Due to the discontinuation of services that generated more than 95% of revenue when the goodwill was initially recognised upon the acquisition date of subsidiary.
 - The subsidiary's net equity on 31/12/2021 did not support the amount of recognised goodwill.
 - Non - current assets with net book value of €46.795 when the goodwill was initially recognised upon the acquisition date of subsidiary are no longer operational and have no resale value or have been disposed at a loss.

The recoverable amount of the above CGU has been determined based on value-in-use calculations. These calculations use cash flow projections based on conservative financial budgets approved by Management covering a five-year period (2022 - 2026). The Management prepares the financial budgets based on past performance experience and its expectations for business and market developments (for conservatism, the business objectives: (1) Expansion of operations outside Cyprus and (2) Expansion of operations in their full potential in Cyprus, are not included in the financial budgets until they are implemented). Cash flows beyond the five-year period are extrapolated using the best estimate of the expected growth rate. The growth rate does not in any case exceed the long-term average growth rate for the business in which the CGU operates, and it is consistent with the macroeconomic factors of the country of operation. The discount rate used does not include the tax effects and reflects specific risks relating to the CGU.

The key assumptions used for the value-in-use calculations are as follows:

- | | |
|--|----------------|
| • Average annual increase in operating cash inflows | €15.000 |
| • Average annual increase in operating cash outflows | - |
| • Growth rate for cash flows | €980 per month |
| • Discount rate | 25% |

The impairment tests resulted, on 31/12/2021, in the recognition of impairment losses of €161.963 in relation to impairment charge of goodwill (€159.701) and impairment charge of development costs (€2.262).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2022 to 30th of June 2022

16. Tangible Fixed Assets & Depreciation

	Equipment that supports the RichReach App Unaudited	Furniture & Office Equipment Unaudited	Computer Hardware Unaudited
	€	€	€
Cost			
Balance at 01 January 2021	48,250	16,559	14,558
Additions during 01/01/2021 – 30/06/2021	-	-	868
Balance at 30 June 2021	48,250	16,559	15,427
Additions during 01/07/2021 – 31/12/2021	-	-	6,921
Amount Written Off during 01/07/2021 – 31/12/2021	(48,250)	(150)	
Balance at 31 December 2021	-	16,409	22,348
Additions during 01/01/2022 – 30/06/2022	-	-	2,815
Balance at 30 June 2022	-	16,409	25,163
Depreciation			
Balance at 01 January 2021	33,775	10,465	11,250
Depreciation during 01/01/2021 – 30/06/2021	2,413	941	734
Balance at 30 June 2021	36,188	11,406	11,984
Depreciation during 01/07/2021 – 31/12/2021	3,562	970	2,120
Depreciation on Amount Written Off during 01/07/2021 – 31/12/2021	(39,750)	(150)	
Balance at 31 December 2021	-	12,226	14,104
Depreciation during 01/01/2022 – 30/06/2022	-	932	1,563
Balance at 30 June 2022	-	13,158	15,667
Net Book Value			
at 30 June 2021	12,062	5,153	3,443
at 31 December 2021	-	4,183	8,244
at 30 June 2022	-	3,251	9,496

17. Trade and other Receivables

	30/06/2022 Unaudited	31/12/2021 Audited
	€	€
Deposits & Prepayments	9,461	10,400
Other Receivables	26,500	34,696
	35,961	45,096

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above. No impairment of trade receivables has been incurred during the year.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The Company has implemented IFRS 9, no provision has been made for expected credit losses as there were no material past due trade and other receivables as at the year-end.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1st of January 2022 to 30th of June 2022

18. Cash and Cash Equivalents

Cash balances are analysed as follows:	30/06/2022	31/12/2021
	Unaudited	Audited
	€	€
Cash in hand	71	46
Cash at bank	12,938	24,649
Guarantees	-	-
	13,008	24,694

19. Ordinary Share Capital

	30/06/2022		31/12/2021	
	Unaudited		Audited	
	Number of shares	€	Number of shares	€
Authorised shares				
Ordinary Shares of €0.05 each	15,000,000	750,000	15,000,000	750,000
Issued and fully paid shares				
Ordinary Shares of €0.05 each	11,378,946	568,946	11,329,746	566,487

Authorised Capital

- Upon incorporation on 11 August 2016 and as per its Memorandum of Association, the Company's Authorised Share Capital was 554,600 ordinary shares of nominal value of €0.05 each (€27,730).
- On 21 November 2017 the Company increased its Authorised Share Capital to 12,000,000 ordinary shares of €0.05 each (€600,000).
- On 09 September 2019 the Company completed the increase of its Authorised Share Capital to 15,000,000 ordinary shares of €0.05 each (€750,000).

Issued Capital

- Upon incorporation on 11 August 2016, the Company issued to the subscribers of its Memorandum of Association 554,600 ordinary shares of nominal value of €0,05 each and at a total Share Premium of €620,826.
- On 22 November 2017 the Company proceeded to a bonus share issue (10,595,400 bonus shares) out of share premium that increased its Issued Share Capital to 11,150,000 ordinary shares of €0.05 each (€557,500).
- On 16 January 2019 the (11,150,000) issued shares of the Company started trading at the Emerging Companies Market of the Cyprus Stock Exchange.
- On 14 October 2019, 96,778 additional fully paid shares started trading at the Emerging Companies Market of the Cyprus Stock Exchange. The shares were issued at the total nominal value of €4,838.90 (€0.05 each) and at a total Share Premium of €245,486.10.
- On 22 January 2020, 15,278 additional fully paid shares started trading at the Emerging Companies Market of the Cyprus Stock Exchange. The shares were issued at the total nominal value of €763.90 (€0.05 each) and at a total Share Premium of €49,236.10.
- On 14 August 2020, 36,111 additional fully paid shares started trading at the Emerging Companies Market of the Cyprus Stock Exchange. The shares were issued at the total nominal value of €1,805.55 (€0.05 each) and at a total Share Premium of €88,194.45.
- On 07 January 2021, 14,305 additional fully paid shares started trading at the Emerging Companies Market of the Cyprus Stock Exchange. The shares were issued at the total nominal value of €715.25 (€0.05 each) and at a total Share Premium of €50,784.75.
- On 20 May 2021, 17,274 additional fully paid shares started trading at the Emerging Companies Market of the Cyprus Stock Exchange. The shares were issued at the total nominal value of €863.70 (€0.05 each) and at a total Share Premium of €33,136.30.
- On 11 January 2022, 28,046 additional fully paid shares started trading at the Emerging Companies Market of the Cyprus Stock Exchange. The shares were issued at the total nominal value of €1,402.30 (€0.05 each) and at a total Share Premium of €98,347.70.
- On 8 March 2022, 21,129 additional fully paid shares started trading at the Emerging Companies Market of the Cyprus Stock Exchange. The shares were issued at the total nominal value of €1,056.45 (€0.05 each) and at a total Share Premium of €23,693.55.

Share Premium is not available for distribution. In accordance with the Articles of Association, the Company can move to the concession of free and/or bonus shares to the existing shareholders of the Company against reduced or zero consideration. The aforementioned shares will be provided and covered from the share premium account, statement of comprehensive income, retained

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for the period from 1st of January 2022 to 30th of June 2022

earnings and quasi-capital funds and/or in any other way the Law and Articles of Association allow, and these shares will be considered fully paid.

20. Advancements from Shareholders

	30/06/2022 Unaudited	31/12/2021 Audited
	€	€
C.A. Papaellinas Ltd	-	25,000
	<u>-</u>	<u>25,000</u>

The advances from shareholders are made available to the Board of Directors for future increases of the share capital of the Company. Note that the increases of the share capital of the Company are completed when the additional shares start trading at the Emerging Companies Market of the Cyprus Stock Exchange.

21. Trade and other Payables

	30/06/2022 Unaudited	31/12/2021 Audited
	€	€
Trade Payables & Other Creditors	24,234	15,391
Social Insurance and other Taxes	2,257	2,373
Value Added Tax	16,642	22,331
Accruals	1,745	17,517
	<u>44,878</u>	<u>57,612</u>

Trade payables are non-interest bearing and are normally settled on 60 day terms. The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

22. Borrowings

	30/06/2022 Unaudited	31/12/2021 Audited
	€	€
Balance on 1 January	-	2,475
Proceeds from Borrowings	-	-
Repayment of Borrowings	-	(2,508)
Interest Payable	-	33
	<u>-</u>	<u>-</u>

The borrowings bear interest of 4% per annum and are repayable on demand.

23. Current Tax Liabilities

	30/06/2022 Unaudited	31/12/2021 Audited
	€	€
Corporation Tax	5,143	5,143
	<u>5,143</u>	<u>5,143</u>

24. Related Party Transactions

The major shareholders of the Company are:

- 3L Transcendent Investments Limited, incorporated in Cyprus, which on 30/06/2022 held 72.44% of the Company's shares and on 31/12/2021 held 72.754% of the Company's shares.

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- Coeur DeLion Software Engineering Ltd, incorporated in Cyprus, which on 30/06/2022 held 18.827% of the Company's shares and on 31/12/2021 held 18.959% of the Company's shares. Please refer to note 24 for related events. Coeur DeLion Software Engineering Ltd is controlled by the member of the Board of Directors: George Rousou.

The Members of the Board of Directors hold shares of the Company as follows:

- George Koufaris on 30/06/2022 and on 31/12/2021 held 0% of the Company's shares.
- Antonis Karitzis on 30/06/2022 held 0.461% of the Company's shares and on 31/12/2021 held 0.463% of the Company's shares.
- Christakis Ierides on 30/06/2022 held 0.196% of the Company's shares and on 31/12/2021 held 0.197% of the Company's shares.
- George Rousou, directly and indirectly (through undertakings controlled by George Rousou), on 30/06/2022 held 20.057% of the Company's shares and on 31/12/2021 held 20.151% of the Company's shares.
- Epaminondas Metaxas on 30/06/2022 and on 31/12/2021 held 0% of the Company's shares.

The following transactions were carried out with related parties:

24.1 Directors' & Key Management Remuneration

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

	01/01/2022 – 30/06/2022 Unaudited €	01/01/2021 – 30/06/2021 Unaudited €
Directors' Remuneration	-	-
Key Management	12,047	14,360
	<u>12,047</u>	<u>14,360</u>

Remuneration costs of directors and key management that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as internally generated intangible assets.

24.2 Purchases of Services

	01/01/2022 – 30/06/2022 Unaudited €	01/01/2021 – 30/06/2021 Unaudited €
<u>Nature of transactions</u>		
Coeur DeLion Software Engineering Limited	94,301	69,080
3L Baccarat Investments (Int'l) Ltd	40,342	28,204
	<u>134,643</u>	<u>97,284</u>

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The above amounts include VAT (where applicable).

24.3 Payables to Related Parties

	30/06/2022 Unaudited €	31/12/2021 Audited €
<u>Nature of transactions</u>		
Coeur DeLion Software Engineering Limited	36,070	24,970
3L Baccarat Investments (Int'l) Ltd	20,461	11,760
	<u>56,531</u>	<u>36,730</u>

The payables to related parties are interest free, and have no specified repayment date.

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for the period from 1st of January 2022 to 30th of June 2022

24.4 Director’s Current Account – Credit Balance

	30/06/2022 Unaudited €	31/12/2021 Audited €
Director’s Current Account	12,343	12,343
	<u>12,343</u>	<u>12,343</u>

The director's current account is interest free, and has no specified repayment date.

24. Contingent liabilities

The Group had no contingent liabilities as at 30 of June 2022.

25. Commitments

The Group had no capital or other commitments as at 30 of June 2022.

26. Events after the reporting period

Depending on the duration of the Coronavirus disease (COVID-19) pandemic, and continued negative impact on economic activity, the Group might experience negative results, and liquidity restraints and incur impairments on its assets in 2022. The exact impact on the Group’s activities in 2022 and thereafter cannot be predicted.

The recent events in Ukraine from February 24, 2022, may have consequences for the Cypriot Economy, which cannot yet be predicted, but the main concern at the moment is the uncertainty mainly for tourism and other sectors of the economy, rising prices for fuel and other raw materials and rising inflation, which may affect household incomes and business operating costs. The financial effect of the current crisis on the Cyprus and Global economy and overall business activities cannot be estimated with reasonable certainty at this stage. The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in (i) the Consolidated Financial Statements as at 31 December 2021 and (ii) in the Unaudited Consolidated Financial Statements for the period from 1st of January 2022 to 30th of June 2022.

The Company has offered 16,250 Stock Option Shares to the Directors Mr Georgios Koufaris, Mr Epaminondas Metaxas and Mr Christakis Ierides who have declared interest in participating in the Stock Option Scheme of the Company. The period for exercising these Stock Options started on 01/06/2022 and ended on 31/08/2022. All three Directors have exercised their Stock Options in full and the Company has approved the exercise of the Stock Options.

There were no other material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.