

RICHREACH CORPORATION PUBLIC LTD

**REPORT AND SEPARATE FINANCIAL
STATEMENTS**

For the year ended 31 December 2024

RICHREACH CORPORATION PUBLIC LTD

REPORT AND SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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RICHREACH CORPORATION PUBLIC LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Antonis Karitzis George Rousou Georgios Koufaris Christakis Ierides (resigned on 22 May 2024)
Company Secretary:	Karanto Secretarial Limited
Independent Auditors:	VGDA Accountants Limited Certified Public Accountants and Registered Auditors 25th Martiou Street 35 (Corner Kennedy Ave. 32) 2nd Floor 1087 Nicosia, Cyprus
Registered office:	Archiepiskopou Makariou III, 228 Ayios Pavlos Court Block B, 4th floor Flat 411-412 3030 Limassol, Cyprus
Bankers:	Eurobank Cyprus Ltd
Registration number:	HE359049

RICHREACH CORPORATION PUBLIC LTD

MANAGEMENT REPORT

The Board of Directors presents its report and audited separate financial statements of the Company for the year ended 31 December 2024.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, are the development, support and licencing of the multifunction RichReach Application ecosystem available for smart devices.

Review of current position, and performance of the Company's business

The Company's development to date, financial results and position as presented in the separate financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 24 of the separate financial statements.

Future developments of the Company

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future

Existence of branches

The Company does not maintain any branches.

Results

The Company's results for the year are set out on page 7. The net loss for the year attributable to the shareholders of the Company amounted to €127.392 (2023: €105.813). On 31 December 2024 the total assets of the Company were €210.082 (2023: €283.037) and the net liabilities of the Company were €13.891 (2023: €113.501).

Dividends

The Board of Directors does not recommend the payment of a dividend.

Research and development activities

The Company expenditure on research and development for the year amounted to €74.623 (2023: €60.183).

Share capital

There were no changes in the share capital of the Company during the year under review.

Emerging Capital Markets

On 4 September 2024, at a shareholders' extraordinary general meeting, it was decided that the Company will be delisted from Emerging Capital Markets of the Cyprus Stock Exchange ('CSE'). The delisting finally took place on 21 October 2024. The suspension of trading of the shares was made on 16 October 2024.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2024 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2024. Mr. Christakis Ierides who was appointed director in 2022, resigned on 22 May 2024.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities of the Board of Directors.

Operating Environment of the Company

Any significant events that relate to the operating environment of the Company are described in note 24 of the separate financial statements.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 28 of the separate financial statements.

RICHREACH CORPORATION PUBLIC LTD

MANAGEMENT REPORT

Related party balances and transactions

Disclosed in note 25 of the separate financial statements.

Independent Auditors

During the year the Independent Auditors of the Company, Ernst & Young Cyprus Limited, resigned and VGDA Accountants Limited was appointed in their place.

The Independent Auditors, Ernst Young Cyprus Limited, have been informed for the intention of the Board of the Company to propose at the Annual General Meeting of the Company their replacement by VGDA Accountants Limited, for the audit of the Company for the year ended 31 December 2024.

The Independent Auditors, VGDA Accountants Limited, were appointed in replacement of the previous auditors on 27 March 2025, and have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

KARANTO SECRETARIAL LIMITED



Karanto Secretarial Limited
Secretary

Limassol, Cyprus, 29 July 2025



Independent Auditor's Report

To the Members of RichReach Corporation Public Ltd

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of parent company RichReach Corporation Public Ltd (the "Company"), which are presented in pages 7 to 30 and comprise the statement of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes of the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 relating to separate financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Separate Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of profit or loss and other comprehensive income in pages 31 to 35, but does not include the separate financial statements and our auditor's report thereon.

Our opinion on the separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Separate Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

To the Members of RichReach Corporation Public Ltd

Responsibilities of the Board of Directors for the Separate Financial Statements (continued)

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report (continued)

To the Members of RichReach Corporation Public Ltd

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the separate financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Comparative figures

The separate financial statements of the Company for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those separate financial statements on 29 April 2024.



Antonis Antoniou

Certified Public Accountant and Registered Auditor
for and on behalf of

VGDA Accountants Limited

Certified Public Accountants and Registered Auditors

25th Martiou Street 35 (Corner Kennedy Ave. 32)

2nd Floor

1087 Nicosia, Cyprus

29 July 2025

RICHREACH CORPORATION PUBLIC LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended 31 December 2024

	Note	2024 €	2023 €
Revenue	8	162.349	251.810
Dividend income		-	9.000
Research & Development Costs	9	(74.623)	(60.183)
Gross profit		87.726	200.627
Selling and distribution expenses	10	(7.916)	(20.422)
Administration expenses	11	(94.314)	(74.668)
(Losses)/Earnings before interest, tax, depreciation and amortisation	13	(14.504)	105.537
Finance costs	15	(498)	(776)
Impairment charge - intangible assets		-	(45.316)
Depreciation of property, plant and equipment		(3.228)	(3.526)
Amortization of intangible assets		(97.367)	(145.945)
Exchange and Share Capital and Corporate Events	12	(11.795)	(15.787)
Loss before tax		(127.392)	(105.813)
Tax	16	-	-
Net loss for the year		(127.392)	(105.813)
Other comprehensive income		-	-
Total comprehensive expense for the year		(127.392)	(105.813)

The notes on pages 11 to 30 form an integral part of these separate financial statements.

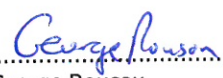
RICHREACH CORPORATION PUBLIC LTD

STATEMENT OF FINANCIAL POSITION

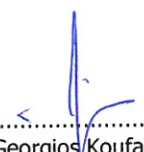
31 December 2024

	Note	2024 €	2023 €
ASSETS			
Non-current assets			
Property, plant and equipment	17	5.345	7.904
Intangible assets	18	162.185	243.033
Investments in subsidiaries	19	14.650	14.650
		<u>182.180</u>	<u>265.587</u>
Current assets			
Trade and other receivables	20	27.839	16.806
Cash and cash equivalents	21	63	644
		<u>27.902</u>	<u>17.450</u>
Total assets		<u>210.082</u>	<u>283.037</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	22	570.144	570.144
Share premium	22	679.934	679.934
Accumulated losses		(1.263.969)	(1.136.577)
Total equity		<u>(13.891)</u>	<u>113.501</u>
Non-current liabilities			
Trade and other payables	23	158.309	-
		<u>158.309</u>	<u>-</u>
Current liabilities			
Trade and other payables	23	65.664	169.536
		<u>65.664</u>	<u>169.536</u>
Total liabilities		<u>223.973</u>	<u>169.536</u>
Total equity and liabilities		<u>210.082</u>	<u>283.037</u>

On 29 July 2025 on behalf of the Board of Directors of RichReach Corporation Public Ltd authorised these separate financial statements for issue.



 George Rousou
 Director



 Georgios Koufaris
 Director

The notes on pages 11 to 30 form an integral part of these separate financial statements.

RICHREACH CORPORATION PUBLIC LTD

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2023		569.759	679.934	(1.030.764)	218.929
Comprehensive income					
Net loss for the year		-	-	(105.813)	(105.813)
Transactions with owners					
Issue of share capital	22	385	-	-	385
Balance at 31 December 2023/ 1 January 2024		570.144	679.934	(1.136.577)	113.501
Comprehensive income					
Net loss for the year		-	-	(127.392)	(127.392)
Balance at 31 December 2024		570.144	679.934	(1.263.969)	(13.891)

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.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 11 to 30 form an integral part of these separate financial statements.

RICHREACH CORPORATION PUBLIC LTD

STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	2024 €	2023 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(127.392)	(105.813)
Adjustments for:			
Depreciation of property, plant and equipment	17	3.228	3.526
Amortisation of other intangibles	18	97.367	145.945
Impairment charge - intangible assets	18	-	45.316
Dividend income		-	(9.000)
Fair value gain on investments at fair value through other comprehensive income		-	-
		(26.797)	79.974
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(11.033)	6.247
Increase in trade and other payables		54.437	6.266
Increase in payables to related companies		-	47.409
Cash generated from operations		16.607	139.896
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for internally generated intangible assets	18	(16.519)	(137.485)
Payment for purchase of property, plant and equipment	17	(669)	(2.506)
Net cash used in investing activities		(17.188)	(139.991)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	385
Net cash generated from financing activities		-	385
Net (decrease)/increase in cash and cash equivalents		(581)	290
Cash and cash equivalents at beginning of the year		644	354
Cash and cash equivalents at end of the year	21	63	644

The notes on pages 11 to 30 form an integral part of these separate financial statements.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. Incorporation and principal activities

Country of incorporation

The Company RichReach Corporation Public Ltd (the "Company") was incorporated in Cyprus on 11 August 2016 as an international company with limited liability 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. On 4 September 2024, at a shareholders' extraordinary general meeting, it was decided that the Company will be delisted from Emerging Capital Markets of the Cyprus Stock Exchange ('CSE'). The delisting finally took place on 21 October 2024. The suspension of trading of the shares was made on 16 October 2024. Its registered office is at Archiepiskopou Makariou III, 228, Ayios Pavlos Court, Block B, 4th floor, Flat 411-412, 3030 Limassol, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the development, support and licencing of the multifunction RichReach Application ecosystem available for smart devices.

2. Basis of preparation

The financial statements of the Company 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.

The Company is not required by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a medium sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2024.

The European Commission has concluded that since parent companies are required by the EU Accounting (2013/34/EU) Directive to prepare separate financial statements and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IFRS 10 "Consolidated Financial statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

The separate financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRSs) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2024. This adoption did not have a material effect on the accounting policies of the Company.

4. Material accounting policy information

The material accounting policies adopted in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all years presented in these separate financial statements unless otherwise stated.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. Material accounting policy information (continued)

Management seeks not to reduce the understandability of these separate financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

Going concern basis

The Company incurred a loss of €127.392 for the year ended 31 December 2024, and, as of that date the Company's current liabilities exceeded its current assets by €37.762. The Company is dependent upon the continuing financial support of its shareholders without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholders have indicated their intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. Material accounting policy information (continued)

Revenue (continued)

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the service, either on its own or together with other resources that are readily available to the customer (that is the service is capable of being distinct) and the Company's promise to transfer the service to the customer is separately identifiable from other promises in the contract (that is, the service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

- **Rendering of services**

Rendering of services - over time:

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

Rendering of services - at a point in time:

The Company concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Income from investment in subsidiary**

Dividend from investments in subsidiary is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss.

Profits or losses from the sale of investments in subsidiary represent the difference between the net proceeds and the cost amount of the investment sold and is transferred to profit or loss.

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss and other comprehensive income as incurred.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. Material accounting policy information (continued)

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Furniture & Equipment	10
Computer Hardware	20
Machinery	10
Telephone systems	10

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. Material accounting policy information (continued)

Intangible assets (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the Company's e-business development is recognised only if the Company can demonstrate all of the following:

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

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. Material accounting policy information (continued)

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets - impairment - credit loss allowance for ECL

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. Material accounting policy information (continued)

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade and other payables

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

4. Material accounting policy information (continued)

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

5. New accounting pronouncements

At the date of approval of these separate financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the separate financial statements of the Company.

6. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions.

(i) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

6. Financial risk management (continued)

6.1 Credit risk (continued)

(i) Impairment of financial assets (continued)

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

Impairment losses are presented as net impairment losses on financial and contract assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Low credit risk

The Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The Company's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, and contract assets).

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

6. Financial risk management (continued)

6.1 Credit risk (continued)

(i) Impairment of financial assets (continued)

Trade receivables and contract assets (continued)

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

There were no significant trade receivable and contract asset balances written off during the year that are subject to enforcement activity.

Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

The Company does not hold any collateral as security for any receivables from related parties.

There were no significant receivables from related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

Bank deposits held with banks with investment grade rating are considered as low credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2024 and 31 December 2023:

Company internal credit rating	External credit rating	2024 €	2023 €
Performing	AAA - A	63	644
Total		63	644

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

6. Financial risk management (continued)

6.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company's exposure to liquidity risk is not considered significant as the majority of the Company's current liabilities are towards the Company's shareholders. No maturity table disclosing the undiscounted cash flows of the underlying liabilities has been presented as all outstanding balances are due within 12 months and consequently their carrying amounts are representative of their contractual cash flows and the impact of discounting is not significant.

6.3 Capital risk management

Capital includes equity shares and share premium.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

7. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

The assessment of the Company for the appropriateness of the use of the going concern basis is disclosed in note 4.

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the year ended 31 December 2024

7. Critical accounting estimates, judgments and assumptions (continued)

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Impairment of intangible assets**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS For the year ended 31 December 2024

8. Revenue

	2024	2023
	€	€
RichReach Application ecosystem licencing fees	136.089	116.010
Business Digitalisation	26.260	135.800
	<u>162.349</u>	<u>251.810</u>

The Company has two (2) single customers which each individually account for more than 10% of the Company's revenue.

9. Research & Development Costs

	2024	2023
	€	€
RichReach Application ecosystem research personnel costs	74.623	60.183
	<u>74.623</u>	<u>60.183</u>

10. Selling and distribution expenses

	2024	2023
	€	€
Commissions	7.916	20.088
Sundry expenses	-	334
	<u>7.916</u>	<u>20.422</u>

11. Administration expenses

	2024	2023
	€	€
Staff costs	82.642	52.805
Municipality taxes	145	127
Annual levy	-	350
Insurance	56	61
Sundry expenses	411	330
Subscriptions and contributions	370	230
Equipment maintenance	-	21
Auditors' remuneration	1.500	7.000
Accounting fees	-	1.336
Other professional fees	2.430	7.583
Travelling	-	15
Hardware expenses	-	663
Secretarial & Registered Office Fees	505	505
External Operations, Administration & Accounting	6.255	3.642
	<u>94.314</u>	<u>74.668</u>

12. Other expenses

	2024	2023
	€	€
Other expenses related to Cyprus Stock Exchange	11.795	15.787

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

13. (Losses)/Earnings before interest, tax, depreciation and amortisation

	2024	2023
	€	€
(Losses)/Earnings before interest, tax, depreciation and amortisation is stated after charging the following items:		
Amortisation of other intangibles (Note 18)	97.367	145.945
Depreciation of property, plant and equipment (Note 17)	3.228	3.526
Staff costs (Note 14)	82.642	52.805
Auditors' remuneration	1.500	7.000
Impairment charge - intangible assets (included in "Other expenses") (Note 18)	-	45.316

14. Staff costs

	2024	2023
	€	€
Salaries	1.233	-
Wages	71.214	46.088
Social security costs	10.195	6.717
	82.642	52.805
	3	3

Average number of employees

The number of employees employed by the Company in 2024 and 2023 was 3 for both years. Staff costs directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets.

15. Finance costs

	2024	2023
	€	€
Sundry finance expenses	498	776
Finance costs	498	776

16. Tax

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2024	2023
	€	€
Loss before tax	(127.392)	(105.813)
Tax calculated at the applicable tax rates	(15.924)	(13.227)
Tax effect of expenses not deductible for tax purposes	14.049	24.625
Tax effect of allowances and income not subject to tax	(12.575)	(17.639)
Tax effect of tax loss for the year	14.450	6.241
Tax charge	-	-

The corporation tax rate is 12,5%.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

16. Tax (continued)

Under certain conditions interest income may be subject to defence contribution at the rate of 17%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

Due to tax losses sustained in the year, no tax liability arises on the Company. As at 31 December 2024, the balance of tax losses which is available for offset against future taxable profits amounts to €568.367 for which no deferred tax asset is recognised in the statement of financial position.

17. Property, plant and equipment

	Computer hardware €
Cost	
Balance at 1 January 2023	17.889
Additions	<u>2.506</u>
Balance at 31 December 2023/ 1 January 2024	20.395
Additions	<u>669</u>
Balance at 31 December 2024	<u>21.064</u>
Depreciation	
Balance at 1 January 2023	8.965
Charge for the year	<u>3.526</u>
Balance at 31 December 2023/ 1 January 2024	12.491
Charge for the year	<u>3.228</u>
Balance at 31 December 2024	<u>15.719</u>
Net book amount	
Balance at 31 December 2024	<u><u>5.345</u></u>
Balance at 31 December 2023	<u><u>7.904</u></u>

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

18. Intangible assets

	Computer software €	RichReach Application €	Total €
Cost			
Balance at 1 January 2023	113	888.037	888.150
Additions	-	137.372	137.371
Reversal of impairment/(Impairment charge)	-	(408.009)	(408.008)
Balance at 31 December 2023/ 1 January 2024	113	617.400	617.513
Additions	-	16.519	16.519
Balance at 31 December 2024	113	633.919	634.032
Amortisation			
Balance at 1 January 2023	113	591.114	591.227
Amortisation for the year (Note 13)	-	145.945	145.945
Impairment charge	-	(362.692)	(362.692)
Balance at 31 December 2023/ 1 January 2024	113	374.367	374.480
Amortisation for the year (Note 13)	-	97.367	97.367
Balance at 31 December 2024	113	471.734	471.847
Net book amount			
Balance at 31 December 2024	-	162.185	162.185
Balance at 31 December 2023	-	243.033	243.033

The recoverable amount of the software application, which is considered the CGU, has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by Management covering a three-year period (2024 - 2026). Management prepares the financial budgets based on past performance experience and its expectations for business and market developments. The discount rate used does not include the tax effects and reflects specific risks relating to the CGU.

During the year, a categorisation of the Company's modules was performed. The purpose of the categorisation of the modules was to identify the following:

- which module does not directly generate recurring revenue
- which module is not expected to generate recurring revenue in the next two years, and
- which module is generating low recurring revenue

Based on that assessment, for the modules that all three factors above were applicable, an impairment of their respective capitalised costs was recorded. A total capitalised cost amount of €408.009 was written off, along with the related amortisation of €362.692, resulting in an impairment loss of €45.316, which was recorded in the Statement of Profit or Loss and Other Comprehensive Income.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

19. Investments in subsidiaries

	2024	2023
	€	€
Balance at 1 January	<u>14.650</u>	14.650
Balance at 31 December	<u>14.650</u>	<u>14.650</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Holding %	2024	2023
				€	€
RichReach Corporation (CY) Ltd	Cyprus	Operation and promotion of the multifunction RichReach Application ecosystem	100	14.650	14.650
				-	-
				<u>14.650</u>	<u>14.650</u>

Investment in subsidiary company is stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

20. Trade and other receivables

	2024	2023
	€	€
Receivables from own subsidiaries (Note 25.4)	23.039	13.386
Deposits and prepayments	4.800	3.420
	<u>27.839</u>	<u>16.806</u>

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the separate financial statements.

21. Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2024	2023
	€	€
Current accounts	63	644
	<u>63</u>	<u>644</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the separate financial statements.

22. Share capital and share premium

	2024	2024	2023	2023
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €0,05 each	<u>15.000.000</u>	<u>750.000</u>	<u>15.000.000</u>	<u>750.000</u>

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

22. Share capital and share premium (continued)

Issued and fully paid	Number of shares	Share capital €	Share premium €	Total €
Balance at 1 January 2023	11.395.171	569.759	679.934	1.249.693
Issue of additional shares	7.709	385	-	385
Balance at 31 December 2023/ 1 January 2024	11.402.880	570.144	679.934	1.250.078
Balance at 31 December 2024	11.402.880	570.144	679.934	1.250.078

On 14 December 2023, the Company increased its issued share capital by issuing €385 (7.709 shares of €0,05 each).

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.

23. Trade and other payables

	2024 €	2023 €
VAT	12.899	4.569
Director's current account - credit balance (Note 25.6)	11.000	12.343
Payables to related parties (Note 25.5)	190.474	139.255
Accrued salaries	7.750	2.402
Accruals	1.850	7.700
Other creditors	-	3.267
	223.973	169.536
Less non-current payables	(158.309)	-
Current portion	65.664	169.536

On 2 May 2025, the Company and RichReach Corporation (CY) Ltd agreed to a repayment plan for the amounts due to Coeur DeLion Software Engineering Ltd (CDSE). The agreement stated that the Company and RichReach Corporation (CY) Ltd will pay together to CDSE the amount of €2.250 per month starting from May 2025. During 2025 the Company will pay to CDSE the amount of €13.500.

24. Operating Environment of the Company

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these separate financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

24. Operating Environment of the Company (continued)

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Company has no direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations.

25. Related party balances and transactions

The Company is controlled by 3L Transcendent Investments Limited, incorporated in Cyprus, which owns 71,586% of the Company's shares. The ultimate controlling owner is Mr. Antonis Karitzis.

The related party balances and transactions are as follows:

25.1 Directors' remuneration

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

	2024	2023
	€	€
Salaries of Management	71.214	46.088

25.2 Sales of services

	2024	2023
	€	€
RichReach Corporation (CY) Ltd	136.089	112.800
	136.089	112.800

Sales of services to the subsidiary undertaking were made at cost.

25.3 Purchases of services

	2024	2023
	€	€
Coeur DeLion Software Engineering Ltd	66.905	121.697
3L Baccarat Investments (Int'l) Ltd	15.948	34.070
	82.853	155.767

25.4 Receivables from related parties (Note 20)

Name	Nature of relation	2024	2023
		€	€
RichReach Corporation (CY) Ltd	Subsidiary	23.039	13.386
		23.039	13.386

RICHREACH CORPORATION PUBLIC LTD

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For the year ended 31 December 2024

25. Related party balances and transactions (continued)

25.5 Payables to related parties (Note 23)

		2024	2023
<u>Name</u>	<u>Nature of relation</u>	€	€
Coeur DeLion Software Engineering Ltd	Minor parent company	171.809	132.339
3L Baccarat Investments (INT'L) Ltd	Common control	18.665	6.916
		190.474	139.255

Coeur DeLion Software Engineering Ltd (controlled by the Director George Rousou) owns 11,034% of the Company's share capital. 3L Baccarat Investments (INT'L) Limited (controlled by the Director George Rousou) owns 1,272% of the Company's share capital.

25.6 Director's current account - credit balance (Note 23)

	2024	2023
	€	€
As at 31 December - George Rousou	11.000	12.343
	11.000	12.343

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

26. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2024.

27. Commitments

The Company had no capital or other commitments as at 31 December 2024.

28. Events after the reporting period

As explained in note 24 the geopolitical situation in Eastern Europe and the Middle East remains intense with the continuation of the conflict between Russia and Ukraine and the Israel-Gaza conflict. As at the date of authorising these separate financial statements for issue, the conflicts continue to evolve as military activity proceeds and additional sanctions are imposed.

Depending on the duration of the conflict between Russia and Ukraine, the Israel-Gaza conflict and continued negative impact on economic activity, the Company might experience further negative results, and liquidity restraints and incur additional impairments on its assets in 2025 which relate to new developments that occurred after the reporting period.

Except from the matters mentioned above, there were no other material events after the reporting period, which have a bearing on the understanding of the separate financial statements.

Independent auditor's report on pages 4 to 6

RICHREACH CORPORATION PUBLIC LTD

DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Page	2024 €	2023 €
Revenue			
Rendering of services		162.349	251.810
Dividend income		-	9.000
Research & Development Costs	32	(74.623)	(60.183)
Gross profit		87.726	200.627
Operating expenses			
Administration expenses	33	(94.314)	(74.668)
Selling and distribution expenses	33	(7.916)	(20.422)
(Losses)/Earnings before interest, tax, depreciation and amortisation		(14.504)	105.537
Finance costs	34	(498)	(776)
Impairment charge - intangible assets		-	(45.316)
Depreciation of property, plant and equipment		(100.595)	(149.471)
Other expenses related to Cyprus Stock Exchange		(11.795)	(15.787)
Net loss for the year before tax		(127.392)	(105.813)

RICHREACH CORPORATION PUBLIC LTD

RESEARCH & DEVELOPMENT COSTS

For the year ended 31 December 2024

	2024	2023
	€	€
Research & Development Costs		
Rentering of services	<u>74.623</u>	<u>60.183</u>
	<u>74.623</u>	<u>60.183</u>

RICHREACH CORPORATION PUBLIC LTD

OTHER OPERATING EXPENSES

For the year ended 31 December 2024

	2024 €	2023 €
Administration expenses		
Benefits in kind	1.233	-
Wages	71.214	46.088
Social security costs	176	164
Social insurance	10.019	6.553
Municipality taxes	145	127
Annual levy	-	350
Insurance	56	61
Sundry expenses	411	330
Subscriptions and contributions	370	230
Equipment maintenance	-	21
Auditors' remuneration	1.500	7.000
Accounting fees	-	1.336
Other professional fees	2.430	7.583
Travelling	-	15
Hardware expenses	-	663
Secretarial & Registered Office Fees	505	505
External Operations, Administration & Accounting	6.255	3.642
	94.314	74.668

	2024 €	2023 €
Selling and distribution expenses		
Commissions	7.916	20.088
Sundry expenses	-	334
	7.916	20.422

RICHREACH CORPORATION PUBLIC LTD

FINANCE COSTS

For the year ended 31 December 2024

	2024 €	2023 €
Finance costs		
Sundry finance expenses		
Bank charges	<u>498</u>	<u>776</u>
	<u>498</u>	<u>776</u>

RICHREACH CORPORATION PUBLIC LTD

COMPUTATION OF CORPORATION TAX

For the year ended 31 December 2024

Net loss per income statement	Page 31	€	€
			(127.392)
<u>Add:</u>			
Depreciation		100.595	
Other expenses related to Cyprus Stock Exchange		<u>11.795</u>	
			<u>112.390</u>
			(15.002)
<u>Less:</u>			
Annual wear and tear allowances	35	<u>100.595</u>	
			<u>(100.595)</u>
Net loss for the year			(115.597)
Loss brought forward			<u>(637.529)</u>
Loss			(753.126)
Unutilised loss of the year 2019 not carried forward			<u>184.759</u>
Net loss carried forward			<u>(568.367)</u>

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

Tax year	2019	2020	2021	2022	2023	2024
	€	€	€	€	€	€
Profits/(losses) for the tax year	(184.759)	(132.165)	(209.665)	(61.011)	(49.929)	(115.597)
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward (568.367)