

RAWINGO IP SERVICES LTD

FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

RAWINGO IP SERVICES LTD

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CONTENTS	PAGE
Board of Directors and other officers	1
Statement of profit or loss and other comprehensive income	2
Statement of financial position	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6 - 18

RAWINGO IP SERVICES LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Elena Nestoros (appointed 01/03/2021) Antria Paschali (appointed 14/06/2021) Maria Procopi (appointed (01/03/2021 - resigned 14/06/2021)
Company Secretary:	Dilea Secretarial Limited
Registration number:	HE418844
Registered office:	Agiou Georgiou Makri, 64 ANNA MARIA LENA COURT, Flat/Office 201 6037, Larnaca, Cyprus
Independent Auditors:	K. Treppides & Co Limited Certified Public Accountants and Registered Auditors Treppides Tower 9, Kafkasou Street, Aglantzia 2112, Nicosia, Cyprus
Bankers:	Payment Execution

RAWINGO IP SERVICES LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 March 2021 to 31 December 2021

	Note	01.03.2021- 31.12.2021 EURO
Revenue		152
Administration expenses	7	(12.579)
Other expenses	8	(2.000)
	9	
Operating loss		(14.427)
Net finance costs	10	(517)
Loss before tax		(14.944)
Tax	11	-
Net loss for the period		(14.944)
Other comprehensive income		-
Other comprehensive income for the period		
Total comprehensive income for the period		(14.944)

RAWINGO IP SERVICES LTD

STATEMENT OF FINANCIAL POSITION

31 December 2021

ASSETS	Note	2021 EURO
Current assets		
Other receivables	13	5.280
Cash and cash equivalents	14	<u>2.523</u>
		<u>7.803</u>
Total assets		<u>7.803</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	15	1.000
Accumulated losses		(14.944)
Total equity		(13.944)
Current liabilities	16	<u>21.747</u>
Other payables		<u>21.747</u>
Total liabilities		
		<u>7.803</u>
Total equity and liabilities		

On 12 June 2023 the Board of Directors of Rawingo IP Services Ltd authorised these financial statements for issue.

Elena Nestoros
Director

Antria Paschali
Director

RAWINGO IP SERVICES LTD**STATEMENT OF CHANGES IN EQUITY**

Period from 1 March 2021 to 31 December 2021

	Note	Share capital EURO	Accumulated losses EURO	Total EURO
At 1 March 2021		-	-	-
Comprehensive income				
Net loss for the period		-	(14.944)	(14.944)
Transactions with owners				
Issue of share capital	15	<u>1.000</u>	-	<u>1.000</u>
At 31 December 2021		<u>1.000</u>	(14.944)	(13.944)

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, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (2019: 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

RAWINGO IP SERVICES LTD**STATEMENT OF CASH FLOWS**

Period from 1 March 2021 to 31 December 2021

		01.03.2021- 31.12.2021
		EURO
CASH FLOWS FROM OPERATING ACTIVITIES	Note	
Loss before tax		(14.944)
Changes in working capital:		
Other receivables		(5.280)
Other payables		21.747
Cash generated from operations		<u>1.523</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	15	<u>1.000</u>
Net cash generated from financing activities		<u>1.000</u>
Net increase in cash and cash equivalents		2.523
Cash and cash equivalents at beginning of the period		-
Cash and cash equivalents at end of the period	14	<u><u>2.523</u></u>

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

1. Incorporation and principal activities

Country of incorporation

The Company Rawingo IP Services Ltd (the "Company") was incorporated in Cyprus on 01/03/2021 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Agiou Georgiou Makri, 64, ANNA MARIA LENA COURT, Flat/Office 201, 6037, Larnaca, Cyprus.

Principal activities

The principal activity of the Company is the provision of payment management services to e-commerce merchants.

2. Basis of preparation

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

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.

3. Functional and presentation currency

The financial statements are presented in Euro which is the functional currency of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or 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 goods or 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 goods or 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.

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

4. Significant accounting policies (continued)

Revenue recognition (continued)

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.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or 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 good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or 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.

□ Work executed

Work executed is recognised in the accounting period in which the work is carried out by reference to completion of the specific transaction assessed on the basis of the actual work executed provided as a proportion of the total work to be carried out.

Finance costs

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

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.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Recognition and derecognition (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - modification (continued)

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

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.

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.

Other payables

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

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

4. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

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.

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.

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

5. Financial risk management

Financial risk factors

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

5.1 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 from cash and cash equivalents and other receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

(ii) 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

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

- For all other financial assets 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 asset 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"). 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.

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.

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 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.

There were no impairment and/ or past due but not impaired financial assets as at 31 December 2021.

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

5. Financial risk management (continued)

5.1 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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

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.

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 period that are subject to enforcement activity.

5.1.3 Credit quality of financial assets

The table below shows an analysis of the Company's bank deposit by the credit rating of the bank in which they are held:

	No of banks	2021 EURO
Bank group based on credit ratings by Moody's		
Without credit rating	<u>1</u>	<u>2.523</u>

5.2 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 has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2021

	Carrying amounts EURO	Contractual cash flows EURO	Up to 1 year EURO
Other payables	<u>17.248</u>	<u>17.248</u>	<u>17.24</u>

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

6. Critical accounting estimates, judgments and assumptions

Critical accounting estimates 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. 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.

□ 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 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 5, Credit risk section.

7. Revenue	01.03.2021- 31.12.2021 EURO
Agent Services	<u>152</u>
8. Administration expenses	01.03.2021- 31.12.2021 EURO
Rent	2.400
Annual levy	350
Auditors' remuneration	2.300
Accounting fees	1.300
Other professional fees	450
Vat Expense	429
Administration fees	4.450
Taxation Services	<u>900</u>
Non audit fees of EURO1.300 have been charged by the Company's statutory auditors.	<u>12.579</u>

RAWINGO IP SERVICES LTD NOTES

TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

9. Other expenses

**01.03.2021-
31.12.2021
EURO
2.000**

Incorporation expenses

10. Finance costs

**01.03.2021-
31.12.2021
EURO**

Bank charges

517

Finance costs

517

11. Tax

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

Loss before tax

(14.944)

Tax calculated at the applicable tax rates

(1.868)

Tax effect of expenses not deductible for tax purposes

294

Tax effect of tax loss for the period

1.574

Tax charge

-

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. 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%.

12. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2021

	Financial assets at amortised cost EURO	Total EURO
Assets as per statement of financial position:		
Other receivables	2.119	2.119
Cash and cash equivalents	<u>2.523</u>	<u>2.523</u>
Total	<u>4.642</u>	<u>4.642</u>

RAWINGO IP SERVICES LTD NOTES

TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

	Borrowings and other financial liabilities EURO	Total EURO
12. Financial instruments by category (continued)		
Liabilities as per statement of financial position:		
Other payables	17.248	17.248
		2021
		EURO
13. Other receivables		1.000
Shareholders' current accounts - debit balances (Note 18.2)		152
Receivables from other related parties (Note 18.1)		300
Deposits and prepayments		2.000
Deferred expenses		967
Other receivables		861
Refundable VAT		5.280

The fair values of other receivables due within one year approximate to their carrying amounts as presented above. For a summary of key terms and conditions relating to the balances with related parties, refer to note 18 of the financial statements.

The exposure of the Company to credit risk and impairment losses in relation to other receivables is reported in note 5 of the financial statements.

14. Cash and cash equivalents

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

	2021
	EURO
Cash at bank	2.523
	2.523
Cash and cash equivalents by currency:	
	2021
Euro	EURO
	2.523

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the financial statements.

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

	2021	2021
15. Share capital	Number of	
	shares	EURO
Authorised		
Ordinary shares of EURO1 each	<u>1.000</u>	<u>1.000</u>
Issued and fully paid	<u>1.000</u>	<u>1.000</u>
Issue of shares		
At 31 December	<u>1.000</u>	<u>1.000</u>
Authorised capital		

Under its Memorandum the Company fixed its share capital at 1.000 ordinary shares of nominal value of EURO1 each.

16. Other payables

	2021
	EURO
Accruals	<u>4.499</u>
Other payables	<u>17.248</u>
	<u>21.747</u>

The fair values of other payables due within one year approximate to their carrying amounts as presented above.

17. Operating Environment of the Company

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and also worldwide, which are difficult to precisely estimate. The main concern at the moment is the rise of inflation, the uncertainty mainly about tourism and financial services and the increase in the price of fuel, which will affect household incomes and business operating costs.

With the recent and rapid development of the Coronavirus disease (COVID-19) pandemic the world economy entered a period of unprecedented health care crisis that has caused considerable global disruption in business activities and everyday life.

Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments have implemented restrictions on travelling as well as strict quarantine measures throughout the period.

Industries such as tourism, hospitality and entertainment have been directly disrupted significantly by these measures. Other industries such as manufacturing and financial services have also been indirectly affected.

In Cyprus, on 15 March 2020, the Council of Ministers in an extraordinary meeting, announced that it considers that Cyprus is entering a state of emergency considering the uncertain situation as it unfolds daily, the growing spread of COVID-19 outbreak and the World Health Organization's data on the situation.

To this end, certain measures have been taken by the Republic of Cyprus since then with a view to safeguarding public health and ensuring the economic survival of working people, businesses, vulnerable groups and the economy at large.

RAWINGO IP SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

17. Operating Environment of the Company (continued)

New entry regulations have been applied with regards to protecting the population from a further spread of the disease which tightened the entry of individuals to the Republic of Cyprus within the year. Additionally, a considerable number of private businesses operating in various sectors of the economy had closed for a period of time while a number of lockdown measures, such as the prohibition of unnecessary movements and the suspension of operations of retail companies (subject to certain exemptions), were applied throughout the period. The measures had been continuously revised (lifted or tightened) by the Republic of Cyprus during the period taking into consideration the epidemic status in the country.

The objective of these public policy measures was to contain the spread of COVID-19 outbreak and have resulted in significant operational disruption for the Company.

In parallel, governments, including the Republic of Cyprus, introduced various financial support schemes in response to the economic impacts of the COVID-19 coronavirus pandemic. The Company has applied for such government assistance. The details of all the arrangements that might be available to the Company and the period throughout which they will remain available are continuing to evolve and remain subject to uncertainty. The Company is continuing to assess the implications for its business when these arrangements are no longer available and has reflected their impact in its stress-scenarios for going concern purposes.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty though, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management's current expectations and estimates could differ from actual results.

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 did not have an immediate material impact on the business operations.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

Management will continue to monitor the situation closely and will assess the need for further actions in case the period of disruption becomes prolonged.

18. Related party transactions

The Company is controlled by Rawingo NV, incorporated in Curacao, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

18.1 Receivable from Shareholder (Note 13)

Name	Nature of transactions	2021 EURO
Rawingo N.V.	Trade	<u>152</u>

18.2 Shareholders' current accounts - debit balances (Note 13)

Rawingo N.V.	2021 EURO <u>1.000</u>
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The shareholder's current accounts are interest free, and have no specified repayment date.

19. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 March 2021 to 31 December 2021

20. Commitments

The Company had no capital or other commitments as at 31 December 2021.

21. Events after the reporting period

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 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.

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 as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

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 event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021 as it is considered as a non-adjusting event.

The Company has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

Despite the limited direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

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. Management will continue to monitor the situation closely and will assess the need for [please complete accordingly] in case the crisis becomes prolonged.

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 financial statements.

ADDITIONAL INFORMATION TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONTENTS	PAGE
Detailed income statement	1
Administration expenses	2
Finance costs	3
Computation of corporation tax	4
Calculation of tax losses for the five-year period	4

RAWINGO IP SERVICES LTD

DETAILED INCOME STATEMENT

Period from 1 March 2021 to 31 December 2021

	01.03.2021- 31.12.2021
Revenue	EURO
Agent Services	152
Operating expenses	
Administration expenses	(12.579)
	(12.427)
Other operating expenses	
Incorporation expenses	(2.000)
Operating loss	(14.427)
Finance costs	(517)
Net loss for the period before tax	(14.944)

RAWINGO IP SERVICES LTD

ADMINISTRATION EXPENSES

Period from 1 March 2021 to 31 December 2021

	01.03.2021-
	31.12.2021
	EURO
Administration expenses	
Rent	2.400
Annual levy	350
Auditors' remuneration	2.300
Accounting fees	1.300
Other professional fees	450
Vat Expense	429
Administration fees	4.450
Taxation Services	<u>900</u>
	<u>12.579</u>

RAWINGO IP SERVICES LTD

FINANCE COSTS

Period from 1 March 2021 to 31 December 2021

	01.03.2021- 31.12.2021 EURO
Finance costs	
Sundry finance expenses	
Bank charges	<u>517</u>
	<u>517</u>

RAWINGO IP SERVICES LTD

COMPUTATION OF CORPORATION TAX

Period from 1 March 2021 to 31 December 2021

EURO

Net loss per income statement (14.944)

Add:

Annual government levy

Incorporation expenses

350

2.000

Net loss for the year

(12.594)

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

Tax year	Profits/(losses) €	Gains Offset		Gains Offset		Gains Offset	
		Amount €	Year	Amount €	Year	Amount €	Year
2016	-	-		-		-	
2017	-	-		-		-	
2018	-	-		-		-	
2019	-	-		-		-	
2020	-	-		-		-	
2021	(12.594)	-		-		-	

Net loss carried forward

(12.594)