NBG Pay

NBG PAY SOCIETE ANONYME

GEMI Number 164307201000

Registered office: Pireaus 74, Moschato, 183 46

Annual Report of the Board of Directors

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Annual Financial Statements

for the first financial year from 23 May to 31 December 2022

In accordance with the

International Financial Reporting Standards (IFRS)

as they have been endorsed by the European Union

Contents

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

Pursuant to Article 150 of Law 4548/2018 and the Articles of Association of "NBG PAY S.A." (hereinafter the "Company" or "NBG PAY"), we hereby submit for approval to the General Meeting this report regarding the activities of the fiscal year that ended on 31 December 2022 and the attached financial statements regarding the period 23 May 2022 to 31 December 2022.

The Financial Statements of the period 23 May 2022 to 31 December 2022, which was the first fiscal year for the Company, were prepared in accordance with the International Financial Reporting Standards (IFRS) and include the Statement of Financial Position, the Statement of Total Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity and the detailed notes for the Financial statements.

A. GENERAL INFORMATION

On 17 December 2021 "National Bank of Greece S.A." announced that it has entered into a long-term strategic partnership with EVO Payments, Inc., a global provider of payment technologies and services, to provide merchants with acquiring and card acceptance services.

The Company operates under the name "NBG PAY S.A." and the distinctive title "NBG PAY S.A.", with its registered office in the Municipality of Moschato-Tavros, Attica, 74 Piraeus Street, P.O. Box 183 46 and is registered in the Commercial Registry under number 164307201000.

It was established on 23 May 2022, its duration has been set for an indefinite period and was a 100% subsidiary of "National Bank of Greece S.A.". The company is a Payment Institution under Law 4537/2018, as amended, for the purpose of providing payment services.

On 7 December 2022, based on the agreement between "National Bank of Greece S.A." and "NBG PAY S.A.", the demerger of "National Bank of Greece S.A." was completed through the spin-off of the payment operations business and its contribution to NBG Pay S.A. On 8 December 2022, following all required regulatory approvals, "National Bank of Greece S.A." completed the sale of 51% of the share capital of NBG Pay S.A. to EVO Payments International Greece Holdings Single Member S.A. The existing shareholder composition of the Company is as follows:

Shareholder	**Percentage of participation**
EVO Payments International Greece Holdings Single Member S.A.	51%
National Bank of Greece S.A.	49%

B. BOARD OF DIRECTORS

The current Board of Directors, the term of which expires on 8 December 2025, is comprised of the following:

1. Ciara Donlevy, Chairwoman, Non-Executive member
2. Nicholas Corrigan, Vice Chairman, Executive member
3. Vincent Brennan, Member, Independent Non-Executive member
4. Christina Theofilidi, Member, Non-Executive member
5. Dimitrios Plessas, Member, Non-Executive member

C. FINANCIAL RESULTS 2022

I. Development of Company's activities

The period ended 31 December 2022 was the first (1st) fiscal year (23 May 2022 – 31 December 2022) for the Company. Total Net Operating Income in 2022 was €2,447,210 , while the result before tax was a loss of €867,483. The Loss after tax for 2022 was €868,459.

The capital structure of the Company is adequate to maintain its activities, with equity at year end of €306,976,541 and Cash and Cash Equivalents of €6,410,839.

Total assets for the Company in 2022 equal to €404,907,539 while total liabilities equal to €97,930,998.

II. Key financial ratios

The key financial ration are shown below:

Financial Structure Ratio:	**2022**
Current assets / Total assets	23%

Capital Adequacy Ratios:	**2022**
Equity / Total Liabilities	313%
Equity / Non Current Assets	99%
Current Assets / Short Term Liabilities	99%

Leverage Ratio:	**2022**
Total Loans / Total Loans and Equity	0%

Return on Equity:	**2022**
Net Profit (Loss) / Total Equity	(0.3%)

D. MAIN RISKS AND UNCERTAINTIES

The Company is exposed to various financial risks, the main ones arising from the Company's activities being summarized below. The financial risks are related to the following financial instruments available to the Company: cash and bank deposits, trade and other receivables, trade and other liabilities and lease liabilities. The Company's Management has assessed the consequences that can arise in the financial risk management, as they are analyzed below:

Credit Risk:
Credit risk relates to cases of default by counterparties to fulfill their contractual obligations. Company's credit risk mainly concerns bank deposits as well as overdue debts from customers. Company's bank deposits represent zero interest rate deposits in National Bank of Greece S.A. and Eurobank S.A., with credit rating on 31 December 2022 B+ (long term). The credit rating is based on the International Credit Rating institution STANDARD & POOR'S and Fitch Ratings, respectively. Regarding overdue debts from customers, the Company makes provisions for the balances in accordance with the application instructions of IFRS 9.

Liquidity Risk:
In order to manage the liquidity risk, the Company monitors the liquidity requirements that arise on an ongoing basis in order to ensure sufficient cash reserves that meet its operational and investment activities. Cash reserves provide sufficient flexibility to ensure Company's liquidity. Cash flows generated from the Company's operations together with the cash balance as of 31 December 2022 amounting to €6,410,839 are expected to be sufficient to cover the Company's obligations for the next 12 months.

Capital Risk Management:
Company manages its capital to ensure that the company will continue to be viable while maximizing the return to the stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital and retained earnings. During 2022, the Company’s own funds equaled to €306,976,541 as a result of the Company’s initial share capital, as well as the increase in share capital as a result of the acquisition of the card payments acceptance business line. According to the Bank of Greece Executive Committee Act 164/13.12.2019, the Company as a Payment Institution is required to submit reports on the fulfilment of the minimum capital adequacy requirement. The Company's adjusted equity as at 31.12.2022 after the exclusion of its intangible assets exceeds by far the minimum regulatory capital requirements, which, based on the latest regulatory report, amount to €898,360.

Market Risk:
a) Foreign exchange risk
Foreign exchange risk arises due to transactions in foreign currency. The Company is not exposed to foreign exchange risk because there are no transactions in foreign currency for the period 23 May 2022 to 31 December 2022.

b) Price risk
There is no price risk, since the Company has no investments or other market traded investments.

c) Interest risk
The Company has in its liabilities interest items included in short-term borrowing. The Company’s only exposure risk arises from changes in the base lending rate (EURIBOR). However, the interest rate risk remains low, as borrowing based on floating interest rates (EURIBOR) is a small percentage of the Company's total liabilities.

E. ESTIMATES AND PERSPECTIVES FOR 2023

Growth in digital payments is expected in 2023 in the payments industry in Greece, following the positive growth estimates for the Greek economy. In particular, the rapid development in productive sectors, such as tourism, compared to previous years, as well as the large penetration of electronic payment methods in sectors that have not been exploited accordingly so far, will contribute catalytically to the growth of digital payments.

In particular, in the context of these positive prospects, the Company aims to expand its customer base and provide high quality services and, consequently, to increase its turnover. This will be achieved through the development of the level of expertise and technological investment that will take place as a result of the collaboration between NBG PAY SA and EVO, which has been further enhanced through its recent acquisition by Global Payments.

In the context of the implementation of its strategic planning, the Company is oriented towards the rationalization of its pricing policy in order to achieve better results.

The adverse effects of the pandemic and inflation are not expected to affect the 2023 results.

F. ENVIROMENTAL AND SOCIAL INITIATIVES

I. Environmental Initiatives

The Company conducts its activities in a manner that ensures both the protection of the environment and the health and safety of its employees. One of the projects promoted by the Company in cooperation with the State is the elimination of the stubs issued by POS terminals and their replacement with an electronic message on the mobile phone of cardholders. This helps to take care of the environment by drastically reducing paper consumption.

II. Social Initiatives

The Company strictly complies with the provisions of labour legislation and fulfils all obligations. The company as at 31 December 2022 had 48 employees.

E. OTHER INFORMATION

I. Acquisition of own shares

According to the provisions of article 49 par. 2 of Law 4548/2018, companies may, by decision of the General Meeting of their shareholders, acquire owned shares that do not exceed 1/10 of the paid-up capital. The Company has not applied the above option provided by law.

II. Branches

The Company has a branch in Kalithea at 330 Thiseos street.

III. Research and development

The Company does not incur research and development costs.

F. EVENTS AFTER THE BALANCE SHEET DATE

On 24 March 2023, the acquisition of EVO Payments Inc. by Global Payments Inc., a Fintech company, was completed. This partnership will accelerate the Company's technological development and access to new markets.

On 12 May 2023, the composition of Board of Directors has changed. Mr. Thomas Eric Panther, Vice Chairman of the Board of Directors, has resigned and been replaced by Mr. Nicholas Brian Corrigan. On 22 June 2023, Mr Darren Wilson, Chairman of the Board of Directors, has resigned and been replaced by Mrs. Ciara Donlevy.

Other than those mentioned above, there have been no other events subsequent to the financial statements as at 31 December 2022 that have materially affected the understanding of these Financial Statements and should either be disclosed in the Financial Statements or differentiate the items in these Financial Statements.

Athens 06 July 2023

Chairwoman of the Board of Directors	Vice-Chairman and Member of the Board of Directors
Ciara Donlevy	Nicholas Brian Corrigan

Deloitte.

Deloitte Certified Public
Accountants S.A.
3a Fragkokklisias & Granikou str.
Marousi Athens GR 151-25
Greece

Tel: +30 210 6781 100
www.deloitte.gr

TRUE TRANSLATION

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of NBG PAY SOCIETE ANONYME

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NBG PAY SOCIETE ANONYME (the "Entity") for the first financial year from 23 May 2022 to 31 December 2022 which comprise the statement of financial position as at 31 December 2022 and the statements of total comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NBG PAY SOCIETE ANONYME as at 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Basis for Opinion

We concluded our audit in accordance with International Standards on Auditing (ISAs) as these have been incorporated into the Greek legislation. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We have been independent of the Entity during the whole period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated into the Greek legislation and the ethical requirements in Greece relevant to the audit of the financial statements. We have fulfilled our ethical requirements in accordance with the applicable legislation and the above mentioned Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, Management is responsible for assessing the Entity'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 Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs, as these have been transposed into the Greek legislation, 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 financial statements.
As part of an audit in accordance with ISAs, as these have been transposed into the Greek legislation, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures 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 Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis 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 Entity'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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management 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.

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Report on Other Legal and Regulatory Requirements

Taking into consideration that Management is responsible for the preparation of the Board of Directors report, according to the provisions of paragraph 5 of article 2 (part B) of Law 4336/2015 we note the following:

a) In our opinion, the Board of Directors report has been prepared in accordance with the applicable legal requirements of article 150 of Greek Law 4548/2018 and its content is consistent with the accompanying financial statements for the year ended 31 December 2022.

b) Based on the knowledge we obtained during our audit of NBG PAY SOCIETE ANONYME and its environment, we have not identified any material inconsistencies in the Board of Director's Report.

Athens, 7 July 2023

The Certified Public Accountant

Eleni Christina Kranioti
Reg. No. SOEL: 54871
Deloitte Certified Public Accountants S.A.
3a Fragkoklissias & Granikou Str.
GR-151 25 Maroussi, Athens, Greece
Reg. No. SOEL: E. 120

Statement of Financial Position as of 31 December 2022

Amounts in Euros	Note	31.12.2022
ASSETS		
Non-current assets		
Goodwill	4	106,043,327
Intangible assets	5	192,104,423
Property, Plant and equipment	6	9,098,016
Right of Use assets	6	2,352,375
Deferred tax assets	7	95,559
Other non-current assets		77,500
Total non-current assets		**309,771,200**
Current assets		
Prepaid expenses		181,688
Trade and other receivables	8	88,543,812
Cash and cash equivalents	9	6,410,839
Total current assets		**95,136,339**
TOTAL ASSETS		**404,907,539**
EQUITY AND LIABILITIES		
Equity		
Share capital	10	307,845,000
Retained earnings		(868,459)
Total Equity		**306,976,541**
Non-current liabilities		
Long-term lease liabilities	11	1,975,147
Post-employment benefits	12	85,188
Total Non current liabilities		**2,060,335**
Current liabilities		
Short-term Borrowings	13	26,014
Trade and other payables	14	95,370,411
Liabilities from income tax	15	97,119
Short-term lease liabilities	11	377,119
Total current liabilities		**95,870,663**
Total liabilities		**97,930,998**
TOTAL EQUITY AND LIABILITIES		**404,907,539**

The attached notes (pp. 15-41) are an integral part of the Financial Statements.

Statement of Total Comprehensive Income for the period ended 31 December 2022

Amounts in Euro	Note	23.05.2022 - 31.12.2022
Revenue	16	5,312,820
Cost of interbank transactions	17	(2,865,610)
Net operating income		**2,447,210**
Cost of Sales	18	(801,010)
Gross Profit		**1,646,200**
Personnel fees and expenses	19	(345,779)
Other operating expenses	20	(1,352,607)
Depreciation	20	(915,052)
Other income	21	157,543
Other gain and losses		(23,630)
Operating result		**(833,325)**
Financial results	22	(34,158)
Profit/(Loss) before taxes		**(867,483)**
Income tax expense	7	(976)
Profit/(Loss) after taxes (A)		**(868,459)**
Other Comprehensive income		
Other Comprehensive income that may be reclassified to profit or loss:		
Actuarial gains / (losses) on defined benefit pension plans		-
Deferred tax on actuarial gains / (losses) on defined benefit pension plans		-
Other comprehensive income, after of tax (B)		**-**
Total Comprehensive Income for the year (A) + (B)		**(868,459)**
Total Comprehensive Income attributable to:		
Owners of the company		(868,459)
Non-controlling interests		-
		(868,459)

The attached notes (pp. 15-41) are an integral part of the Financial Statements.

Statement of Changes in Equity for the period ended 31 December 2022

	Note	Share capital	Retained Earnings	Total equity
Amounts in Euro				
Balance as at 23.05.2022		-	-	-
Loss for the period 23.05.2022 - 31.12.2022		-	(868,459)	(868,459)
Total comprehensive income for the year		**-**	**(868,459)**	**(868,459)**
Issue of share capital	10	145,000	-	145,000
Issue of shares for the acquisition of the card payments acceptance business line	4	307,700,000	-	307,700,000
Balance as at 31.12.2022		**307,845,000**	**(868,459)**	**306.976.541**

The attached notes (pp. 15-41) are an integral part of the Financial Statements.

Statement of Cash Flows for the period 23.05.2022-31.12.2022

Amounts in Euro	**Note**	**23.05.2022 - 31.12.2022**
<u>Cash flows from operating activities</u>		
Gain / (loss) before tax		(867,483)
Plus/ (less) adjustments for:		
Provisions		146,137
Depreciation of property, plant and equipment and right of use assets	20	915,052
Property, Plant and equipment impairement	6	20,110
Finance expenses	22	34,158
Operating results before changes in working capital		**247,974**
Changes in working capital		
(Increase) / decrease: prepaid expenses		(181,688)
((Increase) / decrease: trade and other receivables	8	(61,931,027)
(Increase) / decrease: other non current assets		(77,500)
Increase / (decrease): trade and other liabilities	14	68,326,562
Increase / (decrease): liabilities from income tax	15	97,119
Operating results after changes in working capital		**6,481,440**
Interest paid		(26,155)
Net cash flows generated from / (used in) opereating activities (a)		**6,455,285**
<u>Cash flows from investing activities</u>		
Purchases of property, plant and equipment	6	(137,960)
Total inflows / (outflows) from investing activities (b)		**(137,960)**
<u>Cash flows from financing activities</u>		
Share Capital Increase	10	145,000
Short-term loans – overdraft line	13	26,014
Payment of lease liabilities	11	(77,500)
Net cash flows generated from / (used in) financing activities (c)		**93,514**
Net increase/(decrease) in cash and cash equivalents		**6,410,839**
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of the period		**6,410,839**

The attached notes (pp. 15-41) are an integral part of the Financial Statements.

Notes to the Financial Statements

1. General information

The Company operates under the trade name "NBG PAY SOCIETE ANONYME", conducting business as "NBG PAY S.A.", (hereinafter the "Company" or "NBG Pay S.A."), with its registered office in Moschato – Tavros Attica, Pireaus 74, 183 46 and is registered with the General Electronic Commercial Registry (G.E.MI) with number 164307201000. It was established on 23 May 2022 and its term is set as indefinite.

The initial share capital of the Company was €125.000 and was 100% subsidiary of "National Bank of Greece S.A.". On 7 December 2022, according to the agreement between the "National Bank of Greece S.A." and "NBG PAY S.A.", the agreed spin-off of "National Bank of Greece" card payments acceptance business line completed and transferred it to "NBG Pay S.A.". On 8 December 2022, following the receipt of all required regulatory approvals, National Bank of Greece completed the sale of 51% of NBG Pay S.A.'s share capital to EVO Payments International Greece Holdings Single Member S.A. The current share capital structure of the Company is as follows:

Shareholder	Percentage of participation
EVO Payments International Greece Holdings Single Member S.A.	51%
National Bank of Greece S.A.	49%

The Company is a Payment Institution under Law 4537/2018, as amended, for the purpose of providing payment services, i.e. the following business activities:

1. Services that allow cash deposits in a payment account, as well as all activities required to maintain a payment account
2. Services allowing cash withdrawals from a payment account, including all activities required for the maintenance of a payment account
3. Execution of payment transactions, including transfers of funds, on a payment account held with the user's payment service provider or another payment service provider:
   I. execution of direct debits, including one-off direct debits,
   II. execution of payment transactions by payment card or similar device,
   III. execution of credit transfers, including standing orders
4. Execution of payment transactions where the funds are covered by a credit line for the payment service user:
   I. execution of direct debits, including one-off direct debits,
   II. execution of payment transactions by payment card or similar device,
   III. execution of credit transfers, including standing orders
5. Issuance of payment instruments and/or acceptance of payment transactions
6. Remittance services
7. Payment initiation services
8. Account information services

The current Board of Directors of the Company, pursuant to its meeting minutes dated 23 May 2022 and 12 May 2023, the term of which expires on 8 December 2025, consists of the following:

1. Ciara Donlevy, Chairwoman, Non-Executive member
2. Nicholas Corrigan, Vice Chairman, Executive member
3. Vincent Brennan, Member, Independent Non-Executive member
4. Christina Theofilidi, Member, Non-Executive member
5. Dimitrios Plessas, Member, Non-Executive member

1. General information – continue

The Financial Statements were approved by the Company's Board of Directors on 06/07/2023 and are under the approval of the General Assembly of the Company's shareholders.

Upon approval by the General Meeting of the Company's Shareholders, the financial statements will be published to the General Commercial Registry for Societes Anonymes and will be available at the Company's website (www.nbgpay.com).

2. Basis of preparation of the Financial Statements

2.1 General framework

These Financial Statements relate to the period 23 May 2022 to 31 December 2022, hereinafter the "Financial Statements", which is the first fiscal year for the Company and have been prepared in accordance with the International Financial Reporting Standards (IFRS), as they have been endorsed by the European Union. There are no standards and Interpretations of standards that have been implemented prior to their mandatory adoption date.

These Financial Statements have been prepared using the historical cost basis and based on the going concern principle.

According to the company's financial position, there are no events or situations that would cause uncertainty, which individually or in aggregate can cause doubt about the continuance of the Company's activities in the near future.

Management has assessed the Company's ability to continue as a going concern, taking into account various factors including its current financial position, liquidity and operating performance. More specifically, its strong cash position, its access to the overdraft line, as well as the existing agreements with the shareholders support the Company's continued activity.

However, it is worth noting that the future returns of the Company and its financial viability are subject to inherent risks and external factors beyond the control of the Management. Changes in economic conditions, market trends, regulatory authorities or other unforeseen events may affect the Company's ability to continue as a going concern.

The Management closely monitors the financial performance of the Company, its liquidity, as well as market conditions. Regarding the Company's ability to continue as a going concern, should any significant doubts arise in the future, appropriate actions will be taken and the necessary disclosures will be made in future financial statements.

2.2 Basis of Presentation

The amounts included in these financial statements are presented in Euro which is the the currency of the primary economic environment in which the Company operates. Any small discrepancies are due to roundings.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements according to International Financial Reporting Standards requires Management to make significant judgments, accounting estimates and assumptions that affect the amount of assets, liabilities, revenue and expenses, and the accompanying disclosures, and the disclosure of contingent assets and liabilities. The actual amounts may differ from estimated amounts.

The estimates and judgements are reviewed on a regular basis based on the experience of the past, as well as other factors, including expectations for future events that are considered reasonable under the specific circumstances, and are also constantly reviewed using all available information. Changes in judgements are likely to affect asset and liability balances and disclosures, the disclosure of contingent assets and liabilities as well as income and expenses presented.

The most important of these are listed below:

i) Significant accounting judgements, estimates and assumptions

Determining the useful life of intangible assets
For the merchant relationships, a useful life of fourteen years was calculated, taking into account the percentage of historical European metrics for the years 2021 and 2022.

For the Marketing Alliance Agreement, the useful life was calculated based on the initial period of twenty years of the contract between the Company and the National Bank of Greece S.A. Based on this agreement, the National Bank of Greece S.A. will exclusively refer businesses/individuals interested in acquiring, or using its commercial services to the Company.

Impairment of non-financial assets
The Company assesses, at each reporting date, whether there is an indication that a non-current asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount of a cash-generating unit (CGU) is determined for impairment tests purposes based on value-in-use calculations which require the use of assumptions. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The calculations use cash flow projections based on financial budgets approved by management. Cash flows beyond the period over which projections are available are extrapolated using estimated growth rates. (see also note 3.5).

Income taxes
The Company recognizes assets and liabilities for current and deferred tax, as well as the related expenses, based on estimates related to amounts expected to be paid to or recovered from tax authorities in current and future periods. Estimates are affected by factors such as the practical implementation of relevant legislation, expectations of future taxable profit and the settlement of disputes that may arise with tax authorities etc. Future tax audits, changes in tax legislation and the amount of taxable profit actually realised may result in adjustment to the amount deferred tax and tax payments recognized in the financial statements of the Company.

2.3 Significant accounting judgements, estimates and assumptions - continue

The Company recognizes deferred tax assets to the extent that it is probable that it will have sufficient future taxable profit available, against which, tax losses carried forward can be utilized. Estimating the expected future taxable income requires the application of judgement and making assumptions about future profitability. The estimation of the future taxable profits is based on forecasts of accounting results.

Post-employment benefits
The present value of the pension obligations for the Company's defined benefit plans depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/ (income) for pensions include the discount rate, salary rate increases, rate of departure of employees etc. At each reporting date, Management tries the best way to estimate these factors. Any changes to these assumptions will affect the balance of post-employment benefits. The Company determines the appropriate discount rate at the end of each year. This is defined as the interest rate that should be used to determine the present value of the future cash flows expected to be required to meet the pension plan obligations. Other important assumptions of the post-employement benefits, such as wage growth, are partially based on current market conditions. The sensitivity analysis is conducted by changing each of the key assumptions while keeping the others constant. In reality, however, these assumptions are interdependent. The method applied for the sensitivity analysis in the Note "Post-employment benefits" is the same method applied for the determination of the liability for defined benefit plans in the Statement of Financial Position. The ultimate cost of defined benefit plans depends on future increases in payments as well as other factors affecting costs, such as staff mobility and recruitment.

Determination of lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Allowance for expected credit losses of receivables
Management expects credit losses mainly from receivables from merchants and receivables from schemes (Mastercard, Visa).

The assessment of the Company's credit losses is based on the judgment and assumptions of the Management of the ultimate parent Company EVO Payments Inc., which it has adopted. These assumptions are based on available information and past experience and are adjusted in such a way to reflect forecasts for the future financial situation of the clients. For any claims that are evaluated, data from the Company's legal service is taken into account, which are derived based on the processing of historical data and recent developments of the cases it manages. Actual credit losses may differ from these estimates due to possible changes in conditions or the occurrence of other unforeseeable events.

Aprovision allowance for expected credit losses is created when it is expected that the entire amount due will not be collected. According to the policy of EVO Payments Inc., applying the simplified approach of the standard, customer balances are divided into overdue categories, which are classified in Stage 2 and 3 of credit risk. Appropriate expected credit loss factors are applied to these categories.

2.3 Significant accounting judgements, estimates and assumptions – continue

These factors were derived from historical data taking into account expected credit losses. The Company applies a different rate for the remaining trade receivables whose maturity exceeds sixty days. The Company calculates expected credit losses throughout the lifetime of its receivables. At each balance sheet date, the historical rates used are updated and estimates of future financial status are analyzed. Any write-offs are charged to the existing allowance for expected credit losses.

2.4 Financial Risk Management

The Management of the Company has assessed the consequences that can arise in the financial risk management due to the general situation of the business environment in Greece. The main risks arising from the company's activities are summarized below:

A. Capital Risk Management

Company manages its capital to ensure that the company will continue to be viable while maximizing the return to the stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital and retained earnings. During 2022, the Company’s own funds equaled to €306,976,541 as a result of the Company’s initial share capital, as well as the increase in share capital as a result of the acquisition of the card payments acceptance business line. According to the Bank of Greece Executive Committee Act 164/13.12.2019, the Company as a Payment Institution is required to submit reports on the fulfilment of the minimum capital adequacy requirement. The Company's adjusted equity as at 31.12.2022 after the exclusion of its intangible assets exceeds by far the minimum regulatory capital requirements, which, based on the latest regulatory report, amount to €898,360.

B. Credit Risk

Credit risk concerns cases of default by counterparties to fulfill their contractual obligations. The Company's credit risk mainly concerns bank deposits as well as overdue debts from customers. Company’s bank deposits represent zero interest rate deposits in National Bank of Greece S.A. and Eurobank S.A., , with credit rating on 31 December 2022 B+ (long term). The credit rating is based on the International Credit Rating institution STANDARD & POOR’S and Fitch Ratings, respectively. Regarding overdue debts from customers, the Company makes provisions for the balances in accordance with the implementation quidelines set by IFRS 9.

C. Market Risk:

a) Foreign exchange risk
Foreign exchange risk arises due to transactions in foreign currency. The Company is not exposed to foreign exchange risk because there are no transactions in foreign currency for the period 23 May 2022 to 31 December 2022.

b) Price risk
There is no price risk, since the Company has no investments or other market traded investments.

c) Interest risk
The Company has in its liabilities interest items included in short-term borrowing. The Company’s only exposure risk arises from changes in the base lending rate (EURIBOR). However, the interest rate risk remains low, as borrowing based on floating interest rates (EURIBOR) is a small percentage of the Company's total liabilities.

2.4 Financial Risk Management – continue

D. Liquidity Risk

The cash flows generated from the Company's operations together with the cash balance as of 31 December 2022 of €6,410,839 are expected to be sufficient to meet the Company's liabilities for the next 12 months. In addition, the Company manages its liquidity risk through the planning of liquidity needs, the collection of its debts from customers and the monitoring of its available cash reserves.

The following tables present the Company's contractual maturity for its financial liabilities:

	31.12.2022			
Amounts in Euro	**Up to 1 year**	**From 1 to 5 years**	**Above 5 years**	**Total**
Trade and other payables	95,370,411	-	-	**95,370,411**
Lease liabilities	465,000	2,170,000	-	**2,635,000**
Short term loans	26,014	-	-	**26,014**
Total	**95,861,425**	**2,170,000**	**-**	**98,031,425**

The amounts shown in the balances recorded are contractual undiscounted cash flows.

2.5 New and revised IFRS Standards in issue but not yet effective

The Company has not early adopted any of the following standards, interpretation or amendment that has been issued but is not yet effective.

- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments)**

The Amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures.

The Company is examining the impact form the adoption of the above amendments on its financial statements.

- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments)**

The amendments become effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.
The Company is examining the impact form the adoption of the above amendments on its financial statements.

2.5 New and revised IFRS Standards in issue but not yet effective – continue

- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments)**

The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier application permitted. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.
The Company is examining the impact form the adoption of the above amendments on its financial statements.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8. The objective of the amendments is to clarify the principles in IAS 1 for the classification of liabilities as either current or non-current. The amendments clarify the meaning of a right to defer settlement, the requirement for this right to exist at the end of the reporting period, that management intent does not affect current or non-current classification, that options by the counterparty that could result in settlement by the transfer of the entity's

own equity instruments do not affect current or non-current classification. Also, the amendments specify that only covenants with which an entity must comply on or before the reporting date will affect a liability's classification. Additional disclosures are also required for non-current liabilities arising from loan arrangements that are subject to covenants to be complied with within twelve months after the reporting period. The amendments have not yet been endorsed by the EU.
The Company is examining the impact form the adoption of the above amendments on its financial statements.

- **IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The amendments are intended to improve the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction in IFRS 16, while it does not change the accounting for leases unrelated to sale and leaseback transactions. In particular, the seller-lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use it retains. Applying these requirements does not prevent the seller-lessee from recognising, in profit or loss, any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendment retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, being the beginning of the annual reporting period in which an entity first applied IFRS 16. The amendments have not yet been endorsed by the EU.
The Company is examining the impact form the adoption of the above amendments on its financial statements.

2.5 New and revised IFRS Standards in issue but not yet effective – continue

- **Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU.
The Company is examining the impact form the adoption of the above amendments on its financial statements.

3. Summary of significant accounting policies

3.1 Goodwill

Goodwill
Goodwill represents the difference between the market value of the card payments acceptance business line, as determined in the market value assessment carried out, and the fair value of the contributed assets less the fair value of the contributed liabilities. The goodwill amounting to €106,043,327 resulted from the separation and spin-off of the card payments acceptance business line of "National Bank of Greece S.A." and its contribution to "NBG PAY S.A.".

3.2 Intangible assets

Intangible assets are valued at their fair value at the date of spin-off. The fair value of intangible assets reflects market expectations of the likelihood that the expected future economic benefits embodied in the assets will flow to the Company. The fair value of the intangible assets has been reliably estimated by the Company taking into account the method of discounting the net cash flows from the assets. Intangible assets include:

Merchant Relationships
The merchant relationships were acquired based on the spin-off agreement of the card payments acceptance business line between NBG PAY S.A. and National Bank of Greece S.A. This intangible asset reflects the valuation of the contractual rights arising from the acquired customer base.

Marketing Alliance Agreement
The marketing alliance agreement was acquired based on the spin-off agreement of the card payments acceptance business line between NBG PAY S.A. and National Bank of Greece S.A. This contract states what are the specific roles and responsibilities of each party and includes the terms of agreement between them.

Amortisation is carried out using the straight-line method during their useful life, which is:
Merchant Relationships: 14 years
Marketing Alliance Agreement: 20 years

In case of sale of an intangible asset, as well as when no financial benefits are expected for the Company, the said asset is derecognised.

3. Summary of significant accounting policies – continue

3.3 Property, Plant and Equipment

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

Subsequent expenses related to the asset are recognized as an increase in the carrying value of fixed assets or as a separate fixed asset only to the extent that the expenses increase the future financial rewards anticipated from the use of the fixed asset and their cost can be measured reliably. Repair and maintenance costs are recognized as expenses when incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method over their useful life, which is:
Machinery: 4 years

Gains and losses from the sale of property and equipment are recognized at the time of sale in Statement of Total Comprehensive Income.

3.4 Leases

Right of Use Assets

The Company recognizes right of use assets, at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at their cost, less any accumulated depreciation and impairment losses. Right-of-use assets include the amount of lease liabilities recognized, initial direct costs incurred and the lease payments made on or before the commencement date, reduced by any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment on their own, or together with the cash generating unit to which they belong.

Lease Liabilities

At the commencement of the lease, the Company recognizes lease liabilities equal to the present value of the lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments include also the exercise price of a purchase right, which is reasonably certain to be exercised by the Company, and payments of penalties, if the lease term reflects the Company exercising option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

The Company in order to discount remaining lease payments uses the incremental borrowing rate (IBR) which is determined using appropriate methodology. According to the methodology used, the incremental borrowing rate was determined using as a reference rate, which equals to the bank rate of new long-term regular loans for loans over 1 million Euros (with collateral), with a floating or fixed rate of up to 1 year, as published by Bank of Greece.

3. Summary of significant accounting policies – continue

3.4 Leases – continue

Short-term leases and leases of low value fixed assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the low-value assets recognition exemption to leases that are considered of low value (i.e., below five thousand Euros). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

3.5 Impairment of non-financial assets

Tangible assets, intangible assets, right of use assets and other non-current assets are reviewed at each balance sheet date to determine whether there is an indication of impairment and, if impaired, the carrying amount is adjusted to its recoverable amount. Assets that have an indefinite useful life and goodwill are not subject to amortisation and, are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

The recoverable amount is the higher of the fair value less cost to sell and value in use, i.e. discounted cash flows an asset is expected to generate based upon management's expectations of future economic and operating conditions. The impairment loss is recognized when the carrying amount exceeds the recoverable amount.

The Company at each balance sheet date reviews its assets for any impairment indicators. In cases that the carrying amount is higher than the recoverable amount, impairment loss is recognized through Statement of Total Comprehensive Income.

An impairment loss recognized in prior periods shall be reversed only if there is sufficient evidence that the impairment no longer exists or has been decreased. The reversal of impairment is recognized through Statement of Total Comprehensive Income.

3.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.The Company only has non-derivative financial instruments, comprising trade and other receivables, cash and bank deposits (financial assets), and trade and other payables (financial liabilities). Non-derivative financial instruments are initially measured at the fair value, which is adjusted on initial recognition with transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities.

3. Summary of significant accounting policies – continue

3.6 Financial Instruments – continue

I) Financial Assets

Classification and subsequent measurement

Following initial recognition, financial assets are measured based on one of the following methods depending on their classification:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income

The Company does not measure its financial instruments at fair value through profit and loss or other comprehensive income. Financial assets carried at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment assessment. Any gains and losses arising from impairment assessment are recognised the Statement of Total Comprehensive Income.

Trade receivables (which do not contain a significant financial component) are measured at the transaction price.

A financial asset ceases to be recognized in the Financial Statements, when the contractual rights of the Company to receive cash flows from the asset expire, or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. Purchases and disposals of financial assets executed in the ordinary course of business of the Company are recorded in the Financial Statements at the date of transaction, i.e. on the date when the Company undertakes to purchase or sell that asset.

Specifically, accounts receivable and other receivables are initially recognized at transaction value, which represents fair value, net of expected credit losses, based on assumptions described in IFRS 9. These receivables, once recognised, are classified in the following stages and transfered from one stage to another according to the increase or decrease in credit risk.

Stage 1
On initial recognition of a financial instrument, expected twelve-month credit losses are recognised in the Statement of Total Comprehensive Income.

Stage 2
If the credit risk of the financial instrument has increased significantly since initial recognition, expected credit losses are recognised over the life of the financial instrument. A significant increase in credit risk exists when the Company's past due amounts exceed sixty days.

3. Summary of significant accounting policies – continue

3.6 Financial Instruments – continue

Stage 3
If the credit risk of the financial asset increases to the point where it is considered to be credit impaired, expected credit losses are recognised over the life of the financial asset.

Applying the simplified approach of IFRS 9, customer balances are divided into categories of past due amounts, which are classified into Stage 2 and Stage 3 credit risk. Appropriate expected credit loss factors are applied to these categories. The Company, in accordance with EVO Payments Inc. policy, applies a different rate to trade receivable balances that are more than sixty days past due

II) Financial Liabilities

Debt liabilities are initially recognized at fair value less transaction costs and then they are subsequently measured at amortised cost. A financial liability ceases to be recognized in the Financial Statements, when the contractual liabilities of the Company arising from it expire or are cancelled. The Company has no financial liabilities recognised at fair value through profit or loss.

III) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is an enforceable legal right to offset the recognised amounts and there is an intention to be settled on a net basis, therefore assets liabilities are settle simultaneously.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash, on demand deposits and short – term investments up to 3 months from the balance sheet date, high liquidity and low risk. Cash and cash equivalents have negligible risk of change in value.

For cash flow purposes, cash and cash equivalents include the balance of the “ bank deposits” accounts.

3.8 Trade and other payables

Trade and other payables include trade and other liabilities. They are recognized at their nominal amounts, which are considered to be equal to fair value, unless the effect of the time value is significant.

3.9 Income tax (Current and Deferred)

The tax expense or credit for the period comprises current and deferred tax. Tax is recognised in the statement of total comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, tax is also recognised in equity.

Income tax expense or credit for the period is the expected tax payable on the taxable income for the year, using tax rates applicable at the balance sheet date, as well as the deferred tax.

3. Summary of significant accounting policies – continue

3.9 Income Tax (Current and Deferred) – continue

Deferred tax is calculated on the temporary differences between carrying values and the tax base of assets and liabilities according to tax rates currently applicable or expected to be applicable at the time of settlement of the liability or asset.

A deferred tax asset is only recognized to the extent that it is possible that there will be future taxable profits against which the asset can be set off. Deferred tax assets are reduced accordingly, if it is probable that the relevant tax benefit will not be realized.

3.10 Post employment benefits

Under Greek labour laws, employees and workers are entitled to post employment payments in the event of retirement with the amount of payment varying in relation to the employee's or worker's compensation and length of service. This program is considered as a defined benefit plan. This is calculated based on the years of service and estimated income of the employee on the date of retirement. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss in the statement of total comprehensive income.

The Company's policy for compensation payments is aligned with the International Financial Reporting Standards Interpretations Committee (IFRIC) Decision 2021 of IAS 19 on the method of accounting for service period benefits, in accordance with the guidance issued by the Association of Chartered Accountants of Greece. In response to a question regarding the context of the application of the provisions of Article 8 of Law 3198/1955 on the method of recognition of post employment benefits, the IFRIC issued a final decision according to which the company allocates post employment benefits per year of service to employees during the period of the last 16 years prior to the employees' departure from service, in accordance with the installation conditions for receiving a full pension. This period is the reasonable basis for the provision as beyond this period their pension benefits do not increase materially. The basis for completing the provision for termination benefits is age 62, so the allocation of pension benefits is from 46 to 62 years, except in cases where it is demonstrated that the retirement age is greater than 62, in which case the starting point varies accordingly.

3.11 Provisions

Provisions are recognized when the Company has a current obligation (legal or constructive) as the result of a past event which involves future outflows for the settlement of the obligation and and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed on each balance sheet date and are adjusted to reflect the present value of the outflow expected to be required to settle the liability. If the effect of the time value of money is significant, the provisions are calculated by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money, and where appropriate, the risks specifically associated with with the obligation.

3. Summary of significant accounting policies – continue

3.12 Share Capital

<u>Share Capital</u>

Shares are registered in Equity when there is no obligation to pay in cash or other financial asset or to exchange financial assets in terms that may be unfavorable for the Company.

<u>Transaction costs for Share capital increase</u>

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

3.13 Revenue Recognition

Revenue recognition is based on the five basic steps of IFRS 15, which in brief are:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligation in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The recognition of income from the provision of services is based on the completion stage of the transaction at the balance sheet date, if the result of the transaction can be reliably estimated. This requires collectively or individually that the result of transaction satisfies the obligation that the Company has with a customer, by providing the promised services to the customer.

Where the consideration contemplated by a contract includes a variable amount, the Company estimates the amount to which it is entitled under the transaction to settle its separate obligations.

The customer obtains control of the service if it has the ability to direct the use and derive substantially all of the economic benefits from that service. Control is transferred during a period or at a particular point in time. Revenue from the provision of services is recognised in the accounting period in which the services are provided and measured according to the nature of the services provided, using either output methods or input methods.

A receivable from a customer is recognised when there is an unconditional right for the entity to receive the consideration for the contract obligations performed for the customer. The contractual asset is recognised when the Company has satisfied its obligations to the customer before the customer pays or before payment is due.

The contractual obligation is recognized when the Company receives a consideration from the customer (prepayment) or when it retains a right to a consideration that is unconditional (deferred revenue) before the performance of the contract obligations and the provision of services. The contractual obligation is de-recognised when the contract obligations are performed and the revenue is recognised in the Statement of Total Comprehensive Income.

The Company determines whether it is a principal or an agent for each specified good or service promised to the customer. When an entity that is an agent satisfies a performance obligation, the entity recognises revenue

3. Summary of significant accounting policies – continue

3.13 Revenue Recognition – continue

in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party (see also note 16).

Interest, dividends, gains and losses arising from financial products designated as assets or liabilities are recognised as income or expense respectively. Dividend distributions to shareholders are recognised directly in equity.

Interest income is accounted for on a time proportion basis, determined by the actual return on the asset.

Dividend income is recognised when the right to receive payment is established.

3.14 Fair value

The amounts with which the assets, receivables and short-term liabilities appear in the Statement of Financial Position approximate their respective fair values due to their short-term maturity. Thereof, the fair value is not significantly different from the carrying value of the financial assets and financial liabilities. IFRS 13 establishes a fair value hierarchy that categorises financial instruments into 3 levels based on the inputs used for the valuation techniques as follows:

Level 1
Level 1 inputs are the official quoted prices (unadjusted) in the markets for identical assets or liabilities to which the entity has access at the measurement date.

Level 2
Level 2 inputs are inputs other than the official quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3
Level 3 inputs are unobservable inputs for the asset or liability.

The Company does not use derivative financial instruments and does not use financial assets measured at fair value.

4. Acquisition of the card acceptance business line

On 17 December 2021, National Bank of Greece S.A. (hereinafter “NBG”) announced that it has entered into a long-term strategic marketing alliance with the EVO Payments Inc. (ultimate parent), a leading global provider of payment technology integrations and acquiring solutions, to provide card acceptance and payment processing services (Merchant acquiring). Under the terms of the agreement, NBG and EVO Payments International Greece Holdings S.A. (hereinafter “EVO”), subsidiary of the ultimate parent company, formed a merchant acquiring joint venture business. NBG spun off its card payments acceptance business line into NBG PAY S.A. (100% subsidiary of NBG), and then EVO acquired a 51% interest of this entity. This transaction includes a marketing alliance whereby NBG will exclusively refer customers to the joint venture, and EVO will manage the joint venture and provide its market leading card acceptance solutions through its proprietary products and processing platforms.

4. Acquisition of the card payments acceptance business line - continue

On 7 December 2022, pursuant to the agreement referred above, NBG spun off its card payments acceptance business line and transferred it to NBG PAY S.A., and on 8 December 2022, following the receipt of all required regulatory approvals, NBG completed the sale of 51% of NBG Pay S.A.'s share capital to EVO for a consideration of €158 million. The parties have joint control and rights over the net assets of NBG PAY S.A. This partnership is expected to create significant value from the synergies that will be created from combining NBG's wide customer base with EVO's technological expertise in the payments business.

The fair value of the sector that spun off was estimated to €307,700,000.

The assets and liabilities that have been transferred, included all NBG assets and their associated rights, exclusively related to the card payments acceptance business line, including POS terminals, intangible assets, trade receivables and contracts, other tangible assets and long-term and short-term liabilities. In addition, 11 employees were transferred from NBG to NBG PAY S.A. as part of the acquisition.

In the context of assessing the fair value of the account "Trade and other receivables", anallowance for expected credit losses of €2,244,973 was created.

Accordingly, the fair value of the assets and liabilities recognized are analysed in the table below:

Amounts in Euro	**Note**	
Intangible assets	5	192,800,000
Property, Plant and equipment	6	9,130,252
Trade and other receivables		26,673,734
Trade and other payables		(26,947,313)
Total of assets and liabilities acquired		**201,656,673**
Goodwill		106,043,27
Total consideration price		**307,700,000**
Satisfied by:		
Ordinary Shares (30,770,000 shares with a nominal value €10 per share)		307,700,000
Total consideration price paid		**307,700,000**

As part of the estimation of the value of the contributed assets and liabilities of this business line, an independent valuation was carried out to estimate its market value in order to recognize any goodwill. Goodwill represents the difference between the estimated market value of this business line and the fair value of its contributed assets and liabilities.

To determine the market value of this business line, the following valuation methodologies were considered: a) Income Approach, b) Market Approach and c) Cost Method. The suitability of each method was evaluated and applied case by case, while the result was extracted after weighting factors were applied to each methodology according to the degree of suitability and its extracted results.

5. Intangible Assets

The breakdown and movement of the intangible assets of the Company for the year are as follows:

Amounts in Euro	Merchant Relationships	Marketing Alliance Agreement	Total intangible assets
Cost 23.05.2022	**-**	**-**	**-**
Additions from the acquisition of card acceptance business line	43,800,000	149,000,000	192,800,000
Additions for the year	-	-	-
Cost 31.12.2022	**43,800,000**	**149,000,000**	**192,800,000**
Accumulated amortisation 23.05.2022	**-**	**-**	**-**
Amortisation for the period	(205,714)	(489,863)	(695,577)
Accumulated amortisation 31.12.2022	(205,714)	(489,863)	(695,577)
Net book value 31.12.2022	**43,594,286**	**148,510,137**	**192,104,423**

6. Property, Plant and Equipment & Right of Use assets

The breakdown and movement of the property plant and equipment of the Company for the year are as follows:

Amounts in Euro	Machinery	Furniture and other equipment work in progress	Total	Right-of-use-asset (buildings)
Cost 23.05.2022	**-**	**-**	**-**	**-**
Additions from the acquisition of card payments acceptance business line	9,130,252	-	9,130,252	-
Additions for the period	-	137,960	137,960	2,421,763
Impairment for the period	(20,446)	-	(20,446)	-
Cost 31.12.2022	**9,109,806**	**137,960**	**9,247,766**	**2,421,763**
Accumulated depreciation 23.05.2022	**-**	**-**	**-**	**-**
Depreciation for the period	(150,086)	-	(150,086)	(69,388)
Impairment for the period	336	-	336	-
Accumulated depreciation 31.12.2022	(149,750)	**-**	(149,750)	(69,388)
Net book value 31.12.2022	**8,960,056**	**137,960**	**9,098,016**	**2,352,375**

There are no mortgages and promissory notes, or any other encumbrances, on the fixed assets against borrowing.

7. Income Tax (Current & Deferred)

7.1 Current income tax

Income tax in the Statement of Total Comprehensive Income

Amounts in Euro **Income tax in the Statement of Total Comprehensive Income**	**23.05.2022 - 31.12.2022**
Current income tax	96,535
Deferred tax	(95,559)
Debit / (Credit) in the Statement of Total Comprehensive Income	**976**

According to law 4799/2021, the income tax rate is 22% on taxable income.

In the following table, a reconciliation between the effective and nominal tax rate is presented:

Income tax reconciliation		**23.05.2022-31.12.2022**
Amounts in Euro	**%**	**Amount**
Profit/ (Loss) before income tax		**(867,483)**
Income tax based on the Greek (nominal) tax rate 22%	(22,0%)	(190,846)
Increase/decrease resulting from:		
Non-deductible expenses		191,822
Total income tax expense in the Statement of Comprehensive Income		**976**
Deferred Tax		(95,559)
Income Tax		96,535
Total		**976**

Tax returns are submitted every year, adjusting the accounting profits with the tax differences of the tax return, but the profits or losses mentioned in them are considered temporary until the tax audit is carried out by the tax authorities and the relevant certificate is issued, and the tax liabilities are finalized. Tax losses carried forward from previous years, to the extent that they are acceptable to the tax authorities, can be netted off against the profits of the following five years.

The liability / asset for income tax, as shown in the Financial Statements, is analyzed as follows:

Deferred tax in the Statement of Financial Position

7.2 Deferred tax in the Statement of Financial Position

	31.12.2022
Deferred tax	95,559
Deferred tax asset / (liability)	**95,559**

7.Income Tax (Current & Deferred) – continue

7.2 Deferred tax in the Statement of Financial Position – continue

The movement in deferred tax is as follows:

Balance 23.05.2022	**-**
Debit / (Credit) in Comprehensive income	95,559
Debit / (Credit) in Other Comprehensive income	-
Balance 31.12.2022	**95,559**

The Company's deferred tax assets and liabilities derive from the following items:

	31.12.2022
Property, plant and equipment	32,945
Trade and other payables	43,873
Post-employment benefits	18,741
Deferred tax asset	**95,559**

8. Trade and other receivables

Trade and other receivables of the Company are broken down as follows:

Amounts in Euro	**31.12.2022**
Receivables from schemes	41,549,476
Receivables from merchants	1,020,045
Other receivables from related parties (Note 23)	48,280,213
Allowance for expected credit losses	(2,305,922)
Total	**88,543,812**

The movement of allowance for expected credit losses is analysed as follows:

Amounts in Euro	**31.12.2022**
Balance 23.05.2022	**-**
Additional allowance for the year	2,305,922
Balance 31.12.2022	**2,305,922**

The allowance for expected credit losses related to receivables from merchants and receivables from schemes, as calculated based on the Company's policies and estimates. The total amount of the additional allowance for the year is classified in Stage 3 of credit risk and includes an amount of €2,244,973 which relates to the unlikely to pay Entity’s assessment on the contributed receivables arising from the spin-off of the card payments acceptance business line.

According to EVO Payments Inc. policy, which has been adopted by the company, applying the simplified approach of the standard, customer receivables are divided into overdue categories, which are classified in Stage 2 and 3 of credit risk.

9. Cash and cash equivalents

The cash and cash equivalents of the Company are broken down as follows:

Amounts in Euro	31.12.2022
Bank deposits in Euro in National Bank of Greece	6,285,845
Bank deposits in Euro in Eurobank	124,994
Total	**6,410,839**

The bank deposits represent zero interest rate deposits in National Bank of Greece S.A. and Eurobank S.A., with credit rating on 31 December 2022 B+ (long term). The credit rating is based on the International Credit Rating institution STANDARD & POOR'S and Fitch Ratings, respectively.

10. Share capital

By decision of the Company's Board of Directors on 3 June 2022, the initial share capital of the Company was set at one hundred twenty five thousand euros (€125,000), divided into 12,500 common registered voting shares, with a nominal value of ten euros (€10) each.

By decision of the Extraordinaly General Meeting of the Company's shareholders on 17 November 2022, Company's share capital was increased to three hundred seven million seven hundred thousand euros (€307,700,000), by issuing 30,770,000 common, registered, voting shares with a nominal value of ten euros (€10) each.

By decision of the Extraordinary General Meeting of the Company's shareholders on 8 December 2022, Company's share capital was increased by the amount of twenty thousand euros (€20,000) which came from the capitalization of the deposit of the shareholder "National Bank of Greece S.A." on 19.10.2022 to a special account of the company.

As a result of the above, Company's Share Capital amounts to €307,845,000 and consists of 30,784,500 common registered shares with voting rights, with a nominal value of ten Euros (€10) per share.

11. Lease liabilities

The lease liabilities on 31 December 2022 relate to the recognition of lease liabilities from the application of IFRS 16 and specifically, leases of buildings used by the Company itself. The lease obligation is analyzed below as follows:

Amounts in Euro	Lease liabilities (Buildings)	Total
Balance 23.05.2022	-	-
Additions in the year	2,421,763	2,421,763
Interest on lease liabilities	8,003	8,003
Repayments	(77,500)	(77,500)
Balance 31.12.2022	**2,352,266**	**2,352,266**
Short term	377,119	
Lond term	1,975,147	
Total	**2,352,266**	

11. Lease liabilities – continue

The maturity of the specific financial liabilities is analyzed as follows:

Amounts in Euro	Nominal amount			
	Total	**Up to 1 year**	**From 1 to 5 years**	**Over 5 years**
31.12.2022	2,635,000	465,000	2,170,000	-

Amounts in Euro	Discounted amount			
	Total	**Up to 1 year**	**From 1 to 5 years**	**Over 5 years**
31.12.2022	2,352,266	377,119	1,975,147	-

The Company applies the exemption regarding short-term leases (leases of less than or equal to 12 months) as well as the exemption regarding assets of low value (value less than €5 thousand). Lease payments for low value leases are recognized as expenses in the Statement of Total Comprehensive Income as follow:

Amounts in Euro	**23.05-31.12.2022**
Expenses related to low value leases (included in Cost of Sales)	261,771
Total amount recognised in Total Comprehensive Income	**261,771**

12. Post-employment benefits

The amounts recorded on the Statement of Financial Position as at 31 December 2022, based on the actuarial study, are as follows:

The amount included in the attached Financial Statements is analysed as follows:

	31.12.2022
Provision for post-employment benefits	85,188

The movement of the provision, is analysed as follows:

	31.12.2022
Opening net liability	**-**
Net interest on the net defined benefit obligation	-
Current service cost	85,188
Closing net liability	**85,188**

12. Post-employment benefits - continue

The main actuarial assumptions used for accounting purposes are:

	31.12.2022
	%
Future salary raises	2,50%
Inflation	2,50%
Discount interest rate	3,75%

The sensitivity analysis for the main actuarial assumptions is analysed as follows:

	Discount rate	Discount rate	Salary Increase	Salary Increase
	+0.5%	**(0.5%)**	**+0.5%**	**(0.5%)**
Impact on defined benefit obligation	(3.7%)	+4.2%	+4.0%	(3.8%)

13. Short-term Borrowings

Short-term Borrowings are broken down below as follows:

Amounts in Euro	**31.12.2022**
Short-term loans – overdraft line	26,014
Total	**26,014**

14. Trade and other payables

Trade and other payables are broken down below as follows:

Amounts in Euro	**31.12.2022**
Trade payables	1,259,874
Liabilities to related parties (Note 23)	17,184,248
Liabilities to merchants	74,958,096
Liabilities to company's employees	94,715
Liabilities from tax - duties	122,795
Insurance liabilities	59,994
Accrued expenses	1,690,689
Total	**95,370,411**

Liabilities to merchants include the net amount of transactions to be performed.

All the above payables are short-term, the fair value thereof is not significantly different from their carrying value on the reporting date of the Financial Statements.

15. Liabilities from income tax

Liabilities from income tax are broken down below as follows:

Amounts in Euro	**31.12.2022**
Income tax payable	135,733
Advance payment of income tax	(38,614)
Total	**97,119**

16. Revenue

Company’s revenue is broken down below as follows:

Amounts in Euro	**23.05 - 31.12.2022**
Commission fee from payment transactions to merchants	5,146,002
Commission fee from DCC payment transactions	8,927
Commission from related parties - payspot (Note 23)	157,891
Total	**5,312,820**

Company's revenue arise from the provision of services, and more specifically from transaction clearing (acquiring). This revenue represents the fee paid by merchants, either as a percentage of the transaction value or as a flat fee. These fees are recognized as revenue on the day that the transaction is cleared.

For the provision of the aforementioned services, the Company collects a commission fee from its customers. Company's revenue is valued at the fair value of the price received or receivable, taking into account any refunds.

Company acts as a principal in the transactions described above.

17. Cost of interbank transactions

The cost of interbank transactions are broken down below as follows:

Amounts in Euro	**23.05 - 31.12.2022**
Interbank commission fee from related parties (Note 23)	637,838
Interchange Fee from schemes	1,578,921
Scheme fees	648,851
Total	**2,865,610**

18. Cost of Sales

Cost of Sales is broken down below as follows:

Amounts in Euro	**23.05 - 31.12.2022**
Acquiring expenses from related parties (Note 23)	52,767
Other acquiring expenses	314,776
POS expenses	372,518
Expected credit losses charge	60,949
Total	**801,010**

19. Personnel fees and expenses

Personnel fees and expenses are broken down below as follows:

Amounts in Euro	**23.05 - 31.12.2022**
Gross Remuneration	210,710
Employer's contributions	37,120
Other employee benefits	3,663
Provision for post-employment benefits	85,188
Other provisions	9,098
Total	**345,779**

As at 31 December 2022, there were 48 employees in the Company.

20. Operating expenses and Depreciation

Operating expenses and depreciation costs are broken down below as follows:

Amounts in Euro	**23.05 - 31.12.2022**
Third party fees	1,338,873
Utilities	5,694
Tax expenses and duties (excluding income tax)	3,373
Other expenses	4,667
Depreciation of property, plant and equipment (Note 6)	150,087
Depreciation of right of use assets (Note 6)	69,388
Amortisation of intangible assets (Note 5)	695,577
Total	**2,267,659**

Third party fees include fees for consulting services.

21. Other income

Other income for the Company is broken down below as follows:

Amounts in Euro	23.05 - 31.12.2022
Other income from related parties (Note 23)	157,543
Total	**157,543**

The Company recognizes other income from passthrough expenses based on the spin-off of "National Bank of Greece S.A." card acceptance business line and its transfer to "NBG Pay S.A.". The passthrough costs relate to costs relate to the building premises where NBG PAY S.A. is based.

22. Financial results

The financial results for the Company are broken down below as follows:

Amounts in Euro	23.05 - 31.12.2022
Interest charges and related expenses	26,155
Lease interest expense	8,003
Total	**34,158**

Interest charges and related expenses relate to interest costs from Company's short-term borrowing – overdraft line (Note 13).

23. Related-party transactions

According to IAS 24, the related parties for the Company are:

1. The ultimate parent company of EVO PAYMENTS INC. and its group companies, including EVO PAYMENTS INTERNATIONAL GREECE HOLDINGS S.A., parent entity of NBG PAY S.A.
2. National Bank of Greece, and its group companies, which holds 49% of Company's share capital
3. Individuals that belong to the key management personnel and their close relatives. Key management personnel consists of all the members of the Board of Directors of the Company, and the Managing Directors that hold significant positions in the Company, while their close relatives are considered to be the spouses and persons with whom the related parties live together as well as their first-degree relatives and their or their spouses' dependants. In addition, the Company disclose transactions and existing balances with companies, in which the above persons have control or joint control. In particular, this disclosure relates to participations of the above persons in companies with a percentage higher than 20%.

I) Related party transactions
The Statement of Total Comprehensive Income shows revenue and expenses arising from transactions between the Company and related parties of the Company.

Related parties that had transactions with the Company for the period 23.05.2022-31.12.2022 include the following companies:

- EVO PAYMENTS INTERNATIONAL GREECE HOLDINGS S.A. (Parent)
- National Bank of Greece S.A. (Related entity)
- ELECTRONIC DATA PROCESSING SOURCE S.A. (Related entity)

23. Relates-party transactions - continue

These transactions include payspot commission income, income from passthrough of operating expenses, purchase costs of other equipment, card loading and payment commission fees as well as interbank transaction costs. All transactions with related parties are performed under market conditions and are considered arm's length transactions.

The total revenue and expenses between the Company and its related companies during the the period 23.05.2022-31.12.2022 and the outstanding intercompany balances on 31 December 2022, are broken down by Company as follows (in Euros):

i) Assets – Liabilities:

For the year ended 31.12.2022

COMPANY	**FINANCIAL LINE**	**31.12.2022**
NATIONAL BANK OF GREECE S.A.	Trade and other receivables	48,280,213
NATIONAL BANK OF GREECE S.A.	Cash and Cash equivalents	6,285,845
Total Assets		**54,566,058**
NATIONAL BANK OF GREECE S.A.	Short term loans	(26,014)
NATIONAL BANK OF GREECE S.A.	Trade and other payables	(17,006,985)
EVO PAYMENTS INTERNATIONAL GREECE HOLDINGS S.A.	Trade and other payables	(124,496)
ELECTRONIC DATA PROCESSING SOURCE S.A.	Trade and other payables	(52,767)
Total Liabilities		**(17,210,262)**
Total		**37,355,796**

ii) Income – Expenses:

For the period 23.05-31.12.2022

COMPANY	**FINANCIAL LINE**	**23.05 -31.12.2022**
NATIONAL BANK OF GREECE S.A.	Revenue	157,891
NATIONAL BANK OF GREECE S.A.	Other income	157,543
NATIONAL BANK OF GREECE S.A.	Cost of interbank transactions	(637,838)
NATIONAL BANK OF GREECE S.A.	Other operating expenses	(162)
NATIONAL BANK OF GREECE S.A.	Financial expenses	(25,936)
ELECTRONIC DATA PROCESSING SOURCE S.A.	Cost of sales	(52,767)
Total		**(401,269)**

II) Key Management personnel remuneration

Amounts in Euro	**23.05 - 31.12.2022**
Gross Remuneration	40,195
Provision for post-employment benefits	31,379
Other provisions	37,892
Total	**109,466**

For the year ended 31 December 2022, there were no fees related to Board of Directors.

24. Contingent liabilities and commitments

24.1 Pending litigation and court cases

The Company is involved in various court cases as part of its normal course of business. Management as well as the Company's legal advisors estimate that there are no significant disputes that have a significant impact in the Statement of Financial position or Statement of Total Comprehensive Income of the Company.

24.2 Unaudited tax years

The Company was founded on 23 May 2022 so it has not yet been audited by the tax authorities. For the period 23.05.2022-31.12.2022, a tax audit is currently undergoing by "Deloitte Certified Public Accountants S.A". The "Tax Certificate" is expected to be issued after the publication of the Financial Statements, however it is expected that no material tax charges will arise.

24.3 Letters of guarantee – Other collaterals

There are no letters of guarantee for the period 23.05.2022-31.12.2022.

25. Auditors' fees

On 22 August 2022, the Extraordinary General Meeting of Shareholders elected "Deloitte Certified Public Accountants S.A." to conduct the audit of the first financial year. The following table illustrates the total fees for the period 23.05.2022-31.12.2022 for statutory and tax audit:

Amounts in Euro	**31.12.2022**
Fees for the statutory audit	75,000
Fees for tax audit	36,000
Total	**111,000**

26. Events after end of the reporting period

On 24 March 2023, the acquisition of EVO Payments Inc. by Global Payments Inc., a Fintech company, was completed. This collaboration will accelerate the technological development of the Company and its access to new markets.

On 12 May 2023, the composition of Board of Directors has changed. Mr. Thomas Eric Panther, Vice Chairman of the Board of Directors, has resigned and been replaced by Mr. Nicholas Brian Corrigan. On 22 June 2023, Mr Darren Wilson, Chairman of the Board of Directors, has resigned and been replaced by Mrs. Ciara Donlevy.

Other than those stated above, there have been no other events subsequent to the Financial Statements for the year ended 31 December 2022, which can significantly affect the understanding of these Financial Statements and should either be disclosed or differentiate the amounts of published financial statements.

Athens, 06 July 2023

Chairwoman of the Board of Directors	Vice-Chairman and Member of the Board of Directors	The Chief Financial Officer	The Accounting Director
Ciara Donlevy ID.PT8715188	Nicholas Brian Corrigan ID.PQ5071741	Efstathios Stathopoulos ID.AN-048044	Melpomeni Bliagou ID.T-546609 License No.36807 A Class