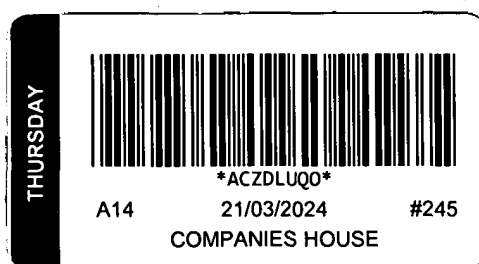


**Registered number: 09403742**

**Dipocket Limited**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2023**



**Dipocket Limited**

**Company Information**

**Directors**

Fedele Di Maggio  
Zoltan Illes  
Andrew Gordon James Robertson

**Registered number**

09403742

**Registered office**

4th Floor Rex House  
4-12 Regent Street  
London  
England  
SW1Y 4PE

**Independent auditors**

Kreston Reeves LLP  
Chartered Accountants & Statutory Auditor  
2nd Floor  
168 Shoreditch High Street  
London  
E1 6RA

**Dipocket Limited**

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## **Dipocket Limited**

### **Strategic Report For the Year Ended 31 December 2023**

#### **Introduction**

2023 saw the continuation and even increase of the healthy growth rates experienced by DiPocket Group in 2022, with card transaction turnover growing 305% year on year.

To meet requirements of the increasingly broad and demanding Client base, throughout the year we continued strengthening the team across the board.

In addition, we started a pervasive transformation of the Group's IT infrastructure and software architecture, in view of improving scalability, resilience and security. First results were already visible in Q4, and we are on track to complete the technology upgrade in the course of 2024. Developments included the implementation of an ERP solution.

On the products front, we completed implementation of a flexible interbank payments gateway which enables us to smoothly integrate with new partner Banks and payment systems, integrated with SWIFT Alliance Cloud, introduced enhanced transaction monitoring, risk scoring and AML solutions, and launched the first stage of our proprietary e-KYC solution. We also launched Mastercard Send, VISA Direct and an innovative solution to calculate the carbon footprint associated to cardholders' behaviour.

Group funding continued to support the Company, covering the significant cash burn caused by internal demand for IT development to serve Clients and enhance the Group's IT infrastructure.

#### **Business review and key performance indicators**

DiPocket Group consolidated revenues increased from EUR 2,461,126 to EUR 4,845,641. On a standalone basis, DiPocket Limited revenues grew from EUR 1,414,006 to EUR 2,001,785. EBITDA was EUR -3,707,472 and net losses amounted to EUR -4,507,257.

To be noted that, effective December 1, 2023, the main relationship with Mastercard was transferred to the parent company, DiPocket UAB, which will contribute to materially decrease cash burn from 2024.

#### **External factors**

Covid 19 affected DiPocket Limited's team throughout the year, causing short but acute illness to many colleagues – however without material impact on the business.

Other external factors, in particular the war in Ukraine and energy cost increases, did not directly affect the Company. Inflation had a moderate impact, was contained to a few providers, and was more than offset by the positive revenue impact associated with higher payment volumes.

Overall, the Company remained relatively immune from external factors, thanks to its diversified business lines and geography, its broad Client base, and the lack of exposure to financial risks (e.g. interest, FX, maturity).

#### **Sustainability (ESG)**

DiPocket Group is committed to sustainability, which it pursues across multiple areas.

Most notable development on this front in 2023 was the introduction of the Carbon Calculator, a solution that helps cardholders assess and address the carbon footprint of their purchasing behaviour.

We continued our efforts to support relief funds distribution, partnering with select NGO to offer cards-based solutions, aimed in particular at refugees.

DiPocket also offers hybrid home-office working conditions, as well as pet-friendly workplaces in its various office locations. Gender equality and 360 degrees performance feedback are engrained in the Group's DNA since inception; with a consistently equal share of male and female managers in top positions.

## **DiPocket Limited**

### **Strategic Report (continued) For the Year Ended 31 December 2023**

#### **Access to capital**

Our anchor investor since 2020, GB & Partners (<https://gbpim.com/en/>), continued to back DiPocket Group development, increasing total investment in DiPocket Group to EUR 18 million, by injecting EUR 7 million throughout the year, EUR 5.7 million of which were in turn invested by DiPocket UAB into DiPocket Limited.

We expect this measured funds injections to continue through 2024, by the end of which DiPocket Group shall become substantially self-funding.

#### **Principal risks and uncertainties**

DiPocket Group risk profile continued to improve throughout 2023, with Client diversification, improved governance – including the introduction of a Supervisory Council, decreased single person dependency, and enhanced IT security and resilience.

With growth and the increased responsibility towards blue-chip Clients, we reviewed and re-calibrated risk appetite, focusing Client acquisition on select, low risk use cases.

The current inflationary environment exposes us to price risk – with pressures on the cost side (salaries and suppliers) and challenge to pass cost increases on to Clients. It must however be noted that a significant share of Group revenues is volume-related (interchange, BIN sponsoring fees, settlement fees) and this helps offset cost increase at margin level. Also, contractually, we are generally entitled to pass through cost increases.

Finally, as in the past, our operational model does not expose us to FX or liquidity risk, and credit risk is limited to Client receivables, against which we experience immaterial write-offs.

#### **Looking Forward**

We expect DiPocket Group to continue the development and growth trends experienced in 2023.

Revenues are poised for continued growth on the back of several large Accounts and a strong new Client pipeline.

At Group level, the main themes for 2024 are:

1. Business growth - focused on selected use cases and a limited number of key accounts;
2. Continued innovation – leveraging the capabilities developed over the past several years to deliver solutions to support the needs of our Clients;
3. Quality – upgrading our infrastructure and organization to match the requirements of the most demanding Clients;
4. Modularity – developing ready to use, modular functionality to shorten time to market for new project while maintaining the bespoke delivery approach that characterized DiPocket's go to market approach for the past several years;
5. Efficiency – reaping the benefits of scale, reputation and experience to increase margins without losing price competitiveness.

As to DiPocket Limited in particular, the priority for 2024 remains supporting EEA Clients with the payment services needs of their UK operations. We will however increasingly target UK Clients directly as, while the market is crowded, we are confident our offer is highly competitive.

**Dipocket Limited**

**Strategic Report (continued)  
For the Year Ended 31 December 2023**

**Directors' statement of compliance with duty to promote the success of the Company**

This statement is intended by the Board of Directors to set out how they have approached and met their responsibilities under s172(1)(a) to (f) of the Companies Act 2006 in the financial period ending 31 December 2023.

Stakeholders of the Company include employees, shareholders, customers, suppliers, creditors of the business and the community in which it operates.

The directors, both individually and collectively, consider that they have acted in good faith to promote the success of the Company for the benefit of its stakeholders as a whole (having regard to the matters set out in s172 of the Act) in the decisions taken during the period. In particular, directors embraced and acted by the following principles:

To ensure the Board take account of the likely consequences of their decisions in the long term, they receive regular and timely information on all the key areas of the business including financial performance, operational matters, health & safety, environmental reports, risks and opportunities, all supported by KPIs. The Company's performance and progress is also reviewed regularly at Board and senior management meetings.

The Company's employees are fundamental to the success of the business. The directors understand that it is critical to engage with and understand their views and to ensure that all employees' interests are considered. To strengthen employee engagement, the directors promote and encourage all employees to raise any concerns or suggestions with senior management without hesitation. During the period, the Company continued to invest in its departmental resources and technology infrastructure to further support and enhance the working environment for its employees.

The Company's customers and suppliers are also fundamental to the success of the business and as an ambitious new player in the European B2B fintech space, it is essential that the Company maintains its reputation for high quality services and and high standards of business conduct. The Company strives to continually improve and strengthen its network of business partners, supply chain, products and customer service for the mutual benefit of all of its stakeholders.

The directors take environmental matters into consideration as part of their decision making process and aim to be a responsible member of the local and wider community, minimising the Company's impact on the environment wherever possible.

The directors' intentions are to behave responsibly toward all stakeholders and treat them fairly and equally, so that they all benefit from the long-term success of the Company.

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
134FAFF2A545402...  
**Fedele Di Maggio**  
Director  
Date: 11-03-24 | 20:45 GMT

## **Dipocket Limited**

### **Directors' Report For the Year Ended 31 December 2023**

The directors present their report and the financial statements for the year ended 31 December 2023.

#### **Principal activity**

The principal activity of the Company was the provision of e-money services and processing.

#### **Results and dividends**

The loss for the year, after taxation, amounted to €4,507,255 (2022 - loss €3,772,364).

There were no dividends proposed to be paid out during the year (2022: €Nil).

#### **Directors**

The directors who served during the year were:

Fedele Di Maggio

Zoltan Illes (appointed 1 February 2023)

Andrew Gordon James Robertson (appointed 1 February 2023)

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Matters covered in the Strategic Report**

Items required under Schedule 7 to be disclosed in the directors' report are set out in the strategic report in accordance with s.414C(11), Companies Act 2006.

**Dipocket Limited**

**Directors' Report (continued)  
For the Year Ended 31 December 2023**

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

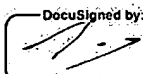
There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11/03/2024

and signed on its behalf.

DocuSigned by:  
  
32FAF09A51F402  
**Fedele Di Maggio**  
Director



## **Dipocket Limited**

### **Independent Auditors' Report to the Members of Dipocket Limited**

#### **Opinion**

We have audited the financial statements of Dipocket Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice):

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Dipocket Limited**

### **Independent Auditors' Report to the Members of Dipocket Limited (continued)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Dipocket Limited**

### **Independent Auditors' Report to the Members of Dipocket Limited (continued)**

#### **Auditors' 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 Auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

#### *Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to E-money regulation and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investments and Intangible assets. Audit procedures performed by the group engagement team and component auditors included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws regulations (including health and safety) and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Review of significant and unusual transactions and evaluation of the underlying financial rational supporting the transactions; and
- Identifying and testing Journal entries, in particular any manual entries made at the year end for financial statement preparation;
- We have reviewed the entity's regulatory compliance regarding e-money requirements under the FCA, this included a review of key correspondence with the FCA during the year, a review of compliance reports submitted in the year and consideration of the entity's ability to meet its capital adequacy requirements under the e-money rules.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

## Dipocket Limited

### Independent Auditors' Report to the Members of Dipocket Limited (continued)

As part of an audit in accordance with ISAs (UK), 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 of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' 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 Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 those charged with governance 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.

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Kreston Reeves LLP*

Anne Dwyer BSc(Hons) FCA (Senior Statutory Auditor)  
for and on behalf of  
**Kreston Reeves LLP**  
Chartered Accountants  
Statutory Auditor  
London  
Date: 13 March 2024

**Dipocket Limited****Statement of Comprehensive Income  
For the Year Ended 31 December 2023**

	Note	2023 €	As restated 2022 €
Turnover	4	2,001,785	1,414,006
Cost of sales		(2,367,687)	(1,491,792)
<b>Gross loss</b>		<b>(365,902)</b>	<b>(77,786)</b>
Administrative expenses		(4,041,704)	(2,927,309)
Other operating expenses	5	(102,748)	(767,479)
<b>Operating loss</b>	6	<b>(4,510,354)</b>	<b>(3,772,574)</b>
Interest receivable and similar income	10	3,099	1,477
Interest payable and similar expenses	11	-	(1,267)
<b>Loss before taxation</b>		<b>(4,507,255)</b>	<b>(3,772,364)</b>
<b>Loss for the financial year</b>		<b>(4,507,255)</b>	<b>(3,772,364)</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 14 to 29 form part of these financial statements.

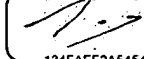
**Dipocket Limited**  
**Registered number: 09403742**

**Balance Sheet**  
**As at 31 December 2023**

	Note	2023 €	As restated 2022 €
<b>Fixed assets</b>			
Intangible assets	13	2,897,293	1,945,294
Tangible assets	14	61,140	34,067
Investments	15	-	9,535
		<u>2,958,433</u>	<u>1,988,896</u>
<b>Current assets</b>			
Stocks	16	65,024	29,158
Debtors: amounts falling due within one year	17	560,929	644,611
Cash at bank and in hand	18	6,318,564	1,749,182
		<u>6,944,517</u>	<u>2,422,951</u>
Creditors: amounts falling due within one year	19	(6,212,517)	(1,914,149)
<b>Net current assets</b>		<u>732,000</u>	<u>508,802</u>
<b>Total assets less current liabilities</b>		<u>3,690,433</u>	<u>2,497,698</u>
<b>Net assets</b>		<u>3,690,433</u>	<u>2,497,698</u>
<b>Capital and reserves</b>			
Called up share capital	20	464,962	330,845
Share premium account	21	17,870,914	12,200,249
Foreign exchange reserve	21	(44,204)	60,588
Profit and loss account	21	(14,601,239)	(10,093,984)
		<u>3,690,433</u>	<u>2,497,698</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 March 2024.

DocuSigned by:



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**Fedele Di Maggio**  
 Director

The notes on pages 13 to 27 form part of these financial statements.

**Dipocket Limited****Statement of Changes in Equity  
For the Year Ended 31 December 2023**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>As restated Foreign exchange reserve</b>	<b>Profit and loss account</b>	<b>As restated Total equity</b>
	€	€	€	€	€
<b>At 1 January 2022</b>	<b>295,551</b>	<b>11,078,918</b>	-	<b>(6,321,620)</b>	<b>5,052,849</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	<b>(3,772,364)</b>	<b>(3,772,364)</b>
Effect of change in functional currency	-	-	<b>60,588</b>	-	<b>60,588</b>
Shares issued during the year	<b>35,294</b>	<b>1,121,331</b>	-	-	<b>1,156,625</b>
<b>As restated at 1 January 2023</b>	<b>330,845</b>	<b>12,200,249</b>	<b>60,588</b>	<b>(10,093,984)</b>	<b>2,497,698</b>
Loss for the year	-	-	-	<b>(4,507,255)</b>	<b>(4,507,255)</b>
Effect of change in functional currency	-	-	<b>(104,792)</b>	-	<b>(104,792)</b>
Shares issued during the year	<b>134,117</b>	<b>5,670,665</b>	-	-	<b>5,804,782</b>
<b>At 31 December 2023</b>	<b>464,962</b>	<b>17,870,914</b>	<b>(44,204)</b>	<b>(14,601,239)</b>	<b>3,690,433</b>

The notes on pages 14 to 29 form part of these financial statements.

**Dipocket Limited****Statement of Cash Flows  
For the Year Ended 31 December 2023**

	2023 €	As restated 2022 €
<b>Cash flows from operating activities</b>		
Loss for the financial year	(4,507,255)	(3,772,364)
<b>Adjustments for:</b>		
Amortisation of intangible assets	772,591	531,277
Depreciation of tangible assets	30,291	20,973
Loss on disposal of tangible assets	122,147	736,694
Interest paid	-	1,267
Interest received	(3,099)	(1,477)
(Increase) in stocks	(35,866)	(10,976)
Decrease/(increase) in debtors	8,241	(119,429)
Decrease in amounts owed by groups	75,441	13,496
Increase in creditors	4,293,653	1,620,335
Increase/(decrease) in amounts owed to groups	4,715	(79,290)
Foreign exchange on translation	(104,792)	30,095
Loss on disposal of investments	9,535	-
<b>Net cash generated from operating activities</b>	<b>665,602</b>	<b>(1,029,399)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,843,823)	(1,080,338)
Purchase of tangible fixed assets	(60,278)	(22,184)
Sale of tangible fixed assets	-	6,804
Purchase of fixed asset investments	-	(179,743)
Sale of fixed asset investments	-	1,931,262
Interest received	3,099	1,477
<b>Net cash from investing activities</b>	<b>(1,901,002)</b>	<b>657,278</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	5,804,782	1,147,294
Interest paid	-	(1,267)
<b>Net cash used in financing activities</b>	<b>5,804,782</b>	<b>1,146,027</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,569,382</b>	<b>773,906</b>
Cash and cash equivalents at beginning of year	1,749,182	975,276
<b>Cash and cash equivalents at the end of year</b>	<b>6,318,564</b>	<b>1,749,182</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	6,318,564	1,749,182
	<b>6,318,564</b>	<b>1,749,182</b>



## **Dipocket Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2023**

#### **1. General information**

DiPocket Limited (the Company) is a private limited company incorporated and domiciled in England & Wales. The address of its registered office and principal place of business is 4th Floor Rex House, 4-12 Regent Street, London, England SW1Y 4PE. The company's principal activity can be found in the Directors' report.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Exemption from preparing consolidated financial statements**

The Company was a parent company, but sold investment in subsidiary during the year, that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

##### **2.3 Going concern**

The financial statements have been prepared on a going concern basis. As at 31 December 2023, whilst the company made a loss of €4,507,255 (2022: loss €3,772,364), it has a net current asset position of €732,000 (2022: €508,802), and a net asset position of €3,690,433 (2022: €2,497,698) due to the funds raised in the course of 2021, 2022 & 2023 through the issue of share capital in order to support growth of the business.

Furthermore, the cash balance of €6,318,564 as at 31 December 2023 (2022: €1,749,182) (amount excluding client assets of €656,072 (2022: €249,597)) means that the group will, based on cashflow forecasts and including a planned capital injection, have sufficient cash to meet the group's liabilities as they fall due for a period of at least 12 months from approval of the financial statements.

## **Dipocket Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2023**

#### **2. Accounting policies (continued)**

##### **2.4 Foreign currency translation**

###### **Functional and presentation currency**

As at 1 January 2023, the company changed their functional and presentational currency from GBP to Euros. This is considered a change in accounting policy and is adjusted retrospectively, as detailed in note 25.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

##### **2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company recognises the revenue in relation to cards ordered by B2B when the cards are delivered to their card bureau, this is on the basis that the sale is complete as no delivery risk is borne (and the cards are already fully paid and non-refundable).

##### **2.6 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### **2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

## Dipocket Limited

### Notes to the Financial Statements For the Year Ended 31 December 2023

#### 2. Accounting policies (continued)

##### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.9 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

##### 2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer software	-	5	Years
Development expenditure	-	3	Years

##### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

## **Dipocket Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2023**

#### **2. Accounting policies (continued)**

##### **2.12 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Office equipment	- 3 Years
Computer equipment	- 3 Years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### **2.13 Valuation of Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

##### **2.14 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.15 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.16 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### **2.17 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**Dipocket Limited**

**Notes to the Financial Statements  
For the Year Ended 31 December 2023**

**2. Accounting policies (continued)**

**2.18 Financial instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The management makes estimates and assumptions concerning the future. The resulting accounting 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 year are addressed below:

**Capitalisation of development costs (Note 12)**

Development costs mainly consist of the implementation and set up costs required for DiPocket Limited to deliver its core services (for example card transactions and converting between currencies). These are likely to be in place for some time, and have been capitalised accordingly. The company has capitalised development costs with a carrying value of €161,129 (2022: €248,855) at the reporting date.

**Amortisation policy for computer software (Note 12)**

Computer software is DiPocket Limited's core application and as such will likely remain in use indefinitely, potentially being updated with additional code. In preparing the financial statements, the directors have prudently assumed that the software's usable life will be limited to 5 years. The company has computer software with a carrying value of €2,736,164 (2022: €1,696,439) at the reporting date.

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****4. Turnover**

— An analysis of turnover by class of business is as follows:

	2023 €	As restated 2022 €
Maintenance fees	1,642,415	1,160,967
Implementation, card and account usage fees	315,734	211,503
Intercompany - Management Services	43,636	41,536
	<u>2,001,785</u>	<u>1,414,006</u>

Analysis of turnover by country of destination:

	2023 €	As restated 2022 €
United Kingdom	1,959,111	1,203,669
Rest of Europe	42,674	210,337
	<u>2,001,785</u>	<u>1,414,006</u>

**5. Other operating income**

	2023 €	As restated 2022 €
Other operating losses	93,213	-
Loss on disposal of fixed asset investments	9,535	767,479
	<u>102,748</u>	<u>767,479</u>

**6. Operating loss**

The operating loss is stated after charging:

	2023 €	As restated 2022 €
Exchange differences	17,775	(32,466)
Depreciation of tangible fixed assets	30,291	20,973
Amortisation of intangible assets	772,591	531,277
	<u>772,591</u>	<u>531,277</u>

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****7. Auditors' remuneration**

	<b>2023</b>	<b>As restated 2022</b>
	<b>€</b>	<b>€</b>
Fees payable to the Company's auditors for the audit of the Company's financial statements	<b>15,785</b>	<b>13,435</b>

All non-audit services total €35,405 (2022 - €31,582).

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2023</b>	<b>As restated 2022</b>
	<b>€</b>	<b>€</b>
Wages and salaries	<b>475,402</b>	<b>192,390</b>
Social security costs	<b>49,888</b>	<b>29,836</b>
Cost of defined contribution scheme	<b>2,205</b>	<b>1,765</b>
	<b>527,495</b>	<b>223,991</b>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2023 No.</b>	<b>2022 No.</b>
Administrative	<b>14</b>	<b>6</b>
Directors	<b>3</b>	<b>4</b>
	<b>17</b>	<b>10</b>

**9. Directors' remuneration**

	<b>2023</b>	<b>As restated 2022</b>
	<b>€</b>	<b>€</b>
Directors' emoluments	<b>87,000</b>	<b>-</b>

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****10. Interest receivable**

	<b>2023</b>	<b>As restated</b>
	<b>€</b>	<b>2022</b>
		<b>€</b>
Other interest receivable	<b>3,099</b>	<b>1,477</b>

**11. Interest payable and similar expenses**

	<b>2023</b>	<b>As restated</b>
	<b>€</b>	<b>2022</b>
		<b>€</b>
Other loan interest payable	-	224
Loans from group undertakings	-	1,043
	<b>-</b>	<b>1,267</b>

**12. Taxation**

	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
<b>Total current tax</b>	<b>-</b>	<b>-</b>



**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****12. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 €	As restated 2022 €
Loss on ordinary activities before tax	<u>(4,507,255)</u>	<u>(3,771,620)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(856,378)	(716,608)
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	10,741	3,403
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,152	13,256
Capital allowances for year in excess of depreciation	(6,116)	(1,920)
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(589)	(280)
Non-taxable income	28,820	145,821
Adjustment for pension contribution	(28)	34
Unrelieved tax losses carried forward	<u>811,398</u>	<u>556,294</u>
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

**Factors that may affect future tax charges**

There are tax losses of €13,128,220 (2022: €8,813,268) to be carried forward for set off against corresponding trading profits of subsequent accounting periods.

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****13. Intangible assets**

	<b>Development expenditure €</b>	<b>Computer software €</b>	<b>Total €</b>
<b>Cost</b>			
As restated at 1 January 2023	916,359	2,708,649	3,625,008
Additions - internal	201,877	1,641,946	1,843,823
Disposals	(717,232)	-	(717,232)
At 31 December 2023	<u>401,004</u>	<u>4,350,595</u>	<u>4,751,599</u>
<b>Amortisation</b>			
As restated at 1 January 2023	667,504	1,012,210	1,679,714
Charge for the year	170,370	602,221	772,591
On disposals	(597,999)	-	(597,999)
At 31 December 2023	<u>239,875</u>	<u>1,614,431</u>	<u>1,854,306</u>
<b>Net book value</b>			
At 31 December 2023	<u>161,129</u>	<u>2,736,164</u>	<u>2,897,293</u>
As restated at 31 December 2022	<u>248,855</u>	<u>1,696,439</u>	<u>1,945,294</u>

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****14. Tangible fixed assets**

	Office equipment €	Computer equipment €	Total €
<b>Cost</b>			
As restated at 1 January 2023	1,066	86,175	87,241
Additions	-	60,278	60,278
Disposals	(1,066)	(41,127)	(42,193)
At 31 December 2023	-	105,326	105,326
<b>Depreciation</b>			
As restated at 1 January 2023	1,066	52,108	53,174
Charge for the year	-	30,291	30,291
Disposals	(1,066)	(38,213)	(39,279)
At 31 December 2023	-	44,186	44,186
<b>Net book value</b>			
At 31 December 2023	-	61,140	61,140
As restated at 31 December 2022	-	34,067	34,067

**15. Fixed asset investments**

	Investments in subsidiary company €
<b>Cost</b>	
As restated at 1 January 2023	9,535
Disposals	(9,535)
At 31 December 2023	-

During the year, 100% of the shares held in DiPocket LLC were sold externally for €Nil. This is created a loss on disposal of €9,535.

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****16. Stocks**

	<b>2023</b>	<b>As restated 2022</b>
	<b>€</b>	<b>€</b>
Payment cards and stationery	<b>65,024</b>	<b>29,158</b>
	<b>65,024</b>	<b>29,158</b>

**17. Debtors**

	<b>2023</b>	<b>As restated 2022</b>
	<b>€</b>	<b>€</b>
Trade debtors	<b>305,285</b>	<b>214,673</b>
Amounts owed by group undertakings	<b>6,563</b>	<b>82,004</b>
Other debtors	<b>198,051</b>	<b>311,365</b>
Prepayments and accrued income	<b>51,030</b>	<b>36,569</b>
	<b>560,929</b>	<b>644,611</b>

**18. Cash and cash equivalents**

	<b>2023</b>	<b>As restated 2022</b>
	<b>€</b>	<b>€</b>
Cash at bank and in hand	<b>6,318,564</b>	<b>1,749,182</b>

Dipocket Limited is an authorised firm under the Electronic Money Regulations 2011 and as such is required to safeguard customer funds. The company has chosen to do this through segregation of customer funds, by establishing segregated bank accounts. The balance of segregated customer bank accounts for the Company as at 31 December 2023 is €5,662,492 (2022: €1,499,585).

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****19. Creditors: Amounts falling due within one year**

	<b>2023</b>	<b>As restated 2022</b>
	<b>€</b>	<b>€</b>
Trade creditors	<b>309,344</b>	272,578
Amounts owed to group undertakings	<b>24,820</b>	20,105
Other taxation and social security	<b>11,346</b>	420
Other creditors	<b>5,736,832</b>	1,542,861
Accruals and deferred income	<b>130,175</b>	78,185
	<b><u>6,212,517</u></b>	<b><u>1,914,149</u></b>

The balance of e-money creditors, within 'other creditors' owed to customers as at 31 December 2023 is €5,648,278 (2022: €1,487,884).

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****20. Share capital**

	2023 €	As restated 2022 €
<b>Allotted, called up and fully paid</b>		
4,649,620 (2022 - 3,308,450) Ordinary shares shares of € 0.10 each	<u>464,962</u>	<u>330,845</u>

During the year, there were various issues of Ordinary shares totalling an issue of 1,341,170, with a nominal value of with a nominal value of €0.10, amounting to €134,117. The shares were issued at a premium of €4.15 per share a premium total of €5,565,860.

For further details please refer to the articles available at the Companies House website.

**21. Reserves****Profit and loss account**

This reserve comprises all current and prior period retained profits and losses after deducting any distributions.

**Share Capital**

This represents the nominal value of shares that have been issued by the Company.

**Share Premium**

This represents the premium that was paid on the shares that have been issued by the Company.

**Foreign Exchange Reserve**

This represents the differences arising from translating operations in 2023 when the Company accounts for its transactions and balances in Euro's as its functional currency. As a result the comparative balances were also translated to Euro's.

**22. Pension commitments**

The Company operates a money-purchase, defined contribution scheme. The assets of these schemes are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to €2,205 (2022: €1,765). The pension creditor at the year end amounted to €91 (2022: €420).

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****23. Commitments under operating leases**

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 €	As restated 2022 €
Not later than 1 year	49,273	69,935
	<u>49,273</u>	<u>69,935</u>

**24. Related party transactions**

During the year, Pavlo Pokhylchenko, a director of the Company, invoiced the Company for consultancy services of €Nil (2022: €48,000). The consultancy services were charged at a commercial rate and were fully paid during the year.

During the year, Fedele Di Maggio, a director of the Company, invoiced the Company for consultancy services of €72,000 (2022: €12,000). The consultancy services were charged at a commercial rate and at the year end, €6,000 (2022: €12,000) was owed to Fedele Di Maggio.

During the year, Zoltan Illes, a director of the Company, invoiced the Company for consultancy services of €15,000 (2022: €Nil). The consultancy services were charged at a commercial rate and were fully paid during the year.

The directors are users of the DiPocket Limited mobile application, therefore, they have e-money accounts opened in their names. The balances as at the year end on these accounts are stated below.

During the year, Pavlo Pokhylchenko incurred expenses of €Nil (2022: €263) on behalf of the Company. At the year end, €Nil (2022: €Nil) was owed to Pavlo Pokhylchenko for incurred expenses.

During the year, Fedele Di Maggio, a director of the Company, incurred expenses of €97,446 (2022: €63,079) on behalf of the Company. At the year end, €Nil (2022: €4,010) was owed to Fedele Di Maggio. At the year end, the company held e-money amounts of €26,376 (2022: €9,130) in respect of Fedele Di Maggio, included in 'Creditors: amounts falling due within one year' in Note 19 to the accounts.

At the year end, the Company held e-money amounts of €6,316 (2022: €Nil) in respect of Andrew Robertson, included in 'Creditors: amounts falling due within one year' in Note 19 to the accounts.

**25. Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**26. Controlling party**

The Company is controlled by its majority shareholder, Tomahawk Holding Zrt., incorporated in Hungary.

The ultimate controlling party is GB & Partners Kockazati Tokealap-kezelő Zrt. (Hungary, at 1051 Budapest, Szechenyi Istvan ter 7., registered with the Company Court of the Capital Court of Budapest under registration number 01-10-047426), a professional fund manager under the supervision of the central bank of Hungary.

**Dipocket Limited****Notes to the Financial Statements  
For the Year Ended 31 December 2023****27. Analysis of net debt**

	As restated at 1 January 2023 €	Cash flows €	Other non- cash changes €	At 31 December 2023 €
Cash at bank and in hand	1,749,182	4,541,080	28,302	6,318,564
Debt due within 1 year	(20,105)	(12,095)	-	(32,200)
	<u>1,729,077</u>	<u>4,528,985</u>	<u>28,302</u>	<u>6,286,364</u>

**28. Change in functional and presentational currency and prior year adjustment**

The Company's functional and presentational currency has changed in the year from Pound Sterling to Euros; this is on the basis that the Euro is now considered to be the primary economic environment in which the entity operates. The directors believe that this change will give stakeholders a clearer understanding of Dipocket's performance over time.

Following this change in accounting policy the impact was applied retrospectively and thus the comparatives in the financial statements were restated in Euro's.

There has been a foreign currency balance recognised in the year ended 31 December 2022 within the Statement of Changes in Equity as a result of this translation.