



Annual Report & Financial Statements

2025

STATEMENT ON THE ANNUAL FINANCIAL REPORT 2025

This Annual Financial Report is deemed to be a copy of RS2 p.l.c.'s report, which is reproduced unsigned. To this effect, the Auditors' Report included within the Annual Financial Report is also reproduced unsigned. The ESEF Annual Financial Report, as filed with the Malta Stock Exchange is considered to be the authorised version of RS2 p.l.c.'s Annual Financial Report.

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Annual Report



Who We Are



RS2 Today

35+ Years of experience	7 Global offices
31bn Transactions per year	40+ Countries served by RS2
80mn Transactions per hour	Top 20 Acquirers choose RS2
8.6K Authorisations per second	>99.99% Platform uptime
400 Employees	Global Reach with local presence

A global payments technology leader

RS2 is a global payments infrastructure company enabling banks, fintechs and payment providers to modernise issuing and acquiring on a single unified platform.

For more than 35 years, RS2 has developed and operated mission-critical payment technology used by financial institutions and processors across Europe, the United States, Latin America (LATAM), Asia Pacific (APAC) and the Middle East.

Its cloud-native platform supports end-to-end processing, orchestration, clearing and settlement across channels and payment types, giving clients a single integration point and greater control over payment performance, data and expansion into new markets.

Today, RS2 is evolving from a traditional software company into a global processor and strategic infrastructure partner. This transformation is being driven by the continued expansion of managed services, the growth of issuing and acquiring capabilities, increasing automation across the platform, and a stronger focus on scalable, transaction-based revenue models.

The company operates at the intersection of several structural shifts shaping the future of payments: the modernisation of legacy banking infrastructure, the rise of embedded finance, the demand for greater end-to-end control in payments, and the use of Artificial Intelligence (AI) and automation to improve operational efficiency and decision-making.

RS2's unified platform architecture positions it to serve these changes with both technological depth and operational resilience.

Who We Are (Continued)

Our Mission

To simplify the complexity of payments by delivering modern infrastructure that helps clients innovate faster, operate smarter and grow globally.

Our Vision

To shape the future of global payments through infrastructure that is scalable, intelligent and built for a digital-first financial system.

Why RS2

Aligned with structural market change

RS2 is positioned around major long-term trends including bank infrastructure modernisation, embedded finance, AI-enabled operations and the expansion of digital payment models.

Unified issuing and acquiring on one platform

RS2's architecture enables clients to manage issuing and acquiring through a single technology environment, improving control, speed to market and operational efficiency.

Transition to scalable recurring revenues

RS2 is increasing its focus on managed services, processing and transaction-based business models, supporting greater revenue visibility and long-term scalability.

Proven technology and sector experience

With more than 35 years in payments, RS2 combines deep domain expertise with modern cloud-native architecture and a growing regulated services capability.

Market Opportunity

The global payments industry represents a substantial and expanding market. McKinsey estimates that in 2023 the industry generated a revenue pool of approximately \$2.4 trillion from around \$1.8 quadrillion in transaction value, with the revenue pool projected to reach about \$3.1 trillion by 2028.

At the same time, the market is being reshaped by a new infrastructure cycle. Banks are modernising legacy systems, payment providers are seeking greater flexibility and control, and embedded finance models are increasing demand for scalable platform-based capabilities.

AI and automation are also becoming increasingly important in improving payment performance, reducing manual effort and enabling smarter operational decision-making.

RS2's strategy is designed around these shifts, with a focus on scalable managed services, automation, regulated capabilities and expansion in markets where demand for modern infrastructure is strongest.

Who We Are (Continued)



Processing Solutions

A full-feature end-to-end processing solution for issuing and acquiring through a single Application Programming Interface (API) integration to RS2's unique BankWORKS® cloud platform. Customers can manage their entire payment services such as authorisation, on boarding, payment gateway, security and fraud, chargebacks, reconciliation, and settlement as well as optimise their interchange.

- Processing of payment transactions utilising BankWORKS® software;
- Platform as a service (PAAS) on a private/public cloud solution for acquiring, issuing, clearing and settlement covering multiple omni-channels;
- Provision of installation services (setup); and
- Other services including statements, chargebacks, merchant portal and e-commerce gateway.



Software Solutions

RS2's modular, highly scalable, and flexible software solutions are developed in-house and cover all areas of payment, including card issuance, merchant acquiring, clearing and settlement, online switching and authorisation, PIN management, customer services, e-commerce, and dispute and fraud management, allowing its customers to rapidly and cost-effectively set up their system by configuring only those products and modules required for business.

The Group provide flexible collaboration models to suit customers' business needs:

- Term or perpetual licences for banks and financial institutions to utilise its BankWORKS® issuing and acquiring platform;
- Installation, depending on size and scope of installation;
- Customisation, implementation, and installation services;
- Upgrades, enhancements, customisation and on-going support for its BankWORKS® platform, as well as updates mandated by international card organisations;
- Additional services, including but not limited to, onsite support for testing, implementation and training, beyond the originally defined scope of the initial implementation; and
- Value added services.

Who We Are (Continued)



Issuing and Acquiring Solutions (previously Merchant Solutions)

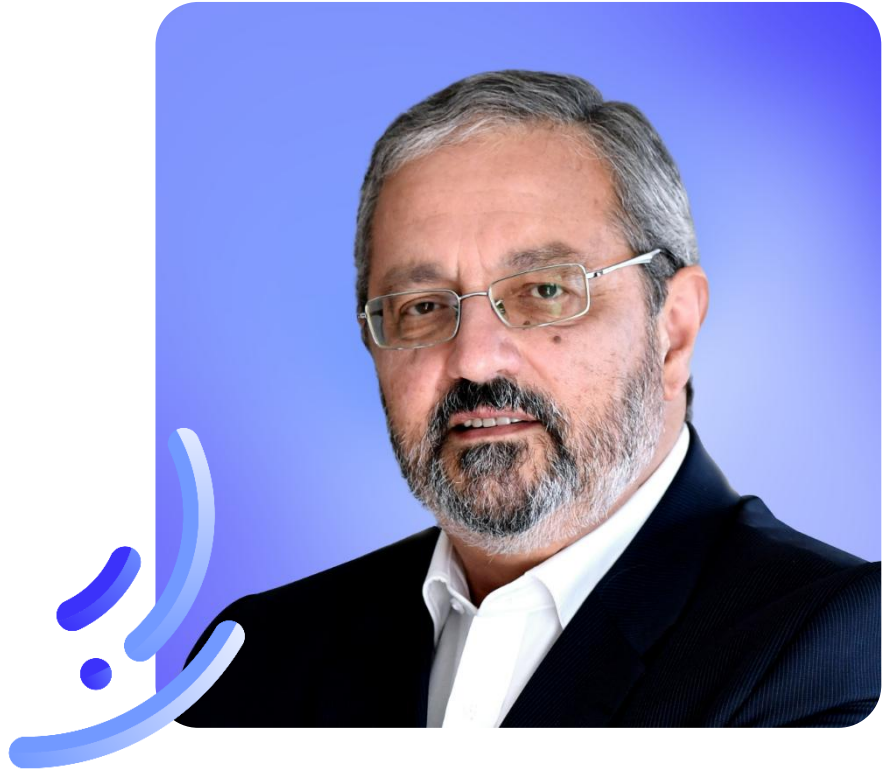
The Group's subsidiary RS2 Financial Services GmbH holds an EMI-Licence from the German regulator, BaFin, enabling the Group to provide a wide array of services using one single platform that integrates through a strong wide range of APIs to the merchant's online businesses and physical shops, consolidating the entire business of the merchant across all the omni-/ multichannel payments offering them one-stop-shop services including but not limited to:

- E-Commerce
- Card not present (incl. Payment Service Provider (PSP) Services)
- Card present (incl. POS Terminals & Network Services)
- InAPP-Payments
- Payment Gateway
- Chargeback Management
- Call Centre Services
- Issuing of Prepaid Cards
- Fraud and Risk Monitoring Services
- Reporting and Reconciliation
- Interchange Optimisation
- Smart Routing increasing the approval rate
- Dynamic Currency Conversion
- Instalments
- Recurring Payments

Chairman's Statement



Chairman's Statement



Mario Schembri

Chairman

The global payments industry is entering a new infrastructure cycle. Financial institutions are modernising legacy systems, payment providers are demanding greater flexibility and control, and scalable cloud-native platforms are becoming increasingly central to how payment services are delivered.

Legacy systems are being replaced, new operating models are emerging, and the demand for scalable, resilient and intelligent payment platforms continues to increase.

Against this backdrop, RS2 has continued to advance its long-term strategic transformation.

Over the past year, the Group has strengthened its position as a global payments infrastructure provider while continuing the transition from a business historically centred on software licensing to one increasingly focused on processing, managed services and recurring transaction-based revenues.

This evolution is important.

It reflects both the direction of the market and our conviction that long-term value will be created by owning a more central role in our clients' payment operations.

The Board remains confident in the strategic logic underpinning this shift.

Chairman's Statement (Continued)

RS2 operates in a market where financial institutions are modernising core payment infrastructure, where embedded finance is reshaping service delivery, and where automation and data are becoming increasingly important to operational efficiency and decision-making.

Our unified platform architecture, deep domain expertise and growing regulated capabilities position the Group to participate meaningfully in these structural trends.

During the year, the Group continued to expand its global reach, deepen client relationships and invest in the technology foundations required for future growth.

At the same time, the strategic direction for 2026 and beyond has become clearer: prioritising scalable managed services, sharpening geographic and client focus, strengthening issuing and acquiring capabilities, and improving the efficiency and standardisation of execution across the Group.

This next phase of RS2's development is not simply about growth. It is about disciplined growth. The Board is focused on ensuring that the Group's strategy is matched by the right operating model, capital allocation priorities, technology principles and governance structures to support sustainable value creation over the long term.

The Group combines more than 35 years of payments experience with a modern cloud-native platform, a growing global footprint and a strategy aligned with the direction of the market.

While execution remains critical, the opportunity in front of us is significant, and we remain confident in the company's ability to build long-term value for customers, partners and shareholders.

On behalf of the Board, I would like to thank our employees across all regions for their continued commitment, our leadership team for their focus and determination, and our shareholders for their ongoing support and confidence in RS2.

RS2 enters this next phase with a clear strategic direction, a strengthened platform foundation and a meaningful opportunity to expand its role in the global payments value chain.

The Board remains confident that, with disciplined execution, the Group is well positioned to deliver sustainable long-term value.

Mario Schembri

Chairman

23 April 2026

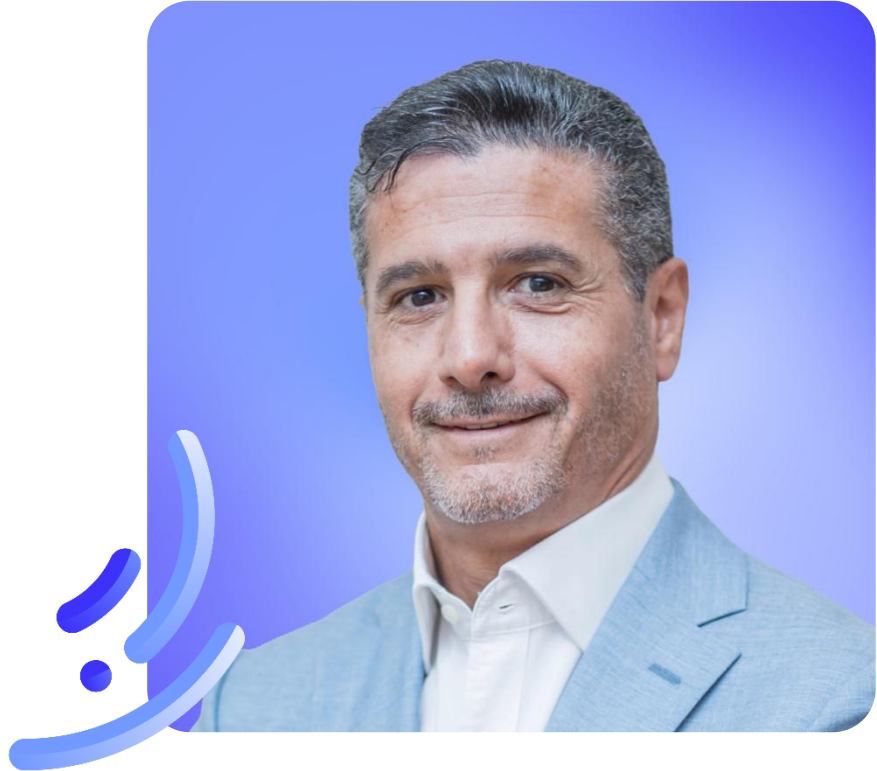
CEO's Statement



CEO's Statement

Radi Abd El Haj

Chief Executive Officer



Executing our Strategy: Operational Resilience and Scalable Growth

During the past year, RS2 has made significant strides in our long-term strategic transformation, evolving from a traditional software-led organisation into a global payments processing and infrastructure partner. As the global payments industry undergoes a fundamental shift towards modernised, cloud-native systems, we have deliberately focused on scaling our managed services and expanding our unified issuing and acquiring capabilities. This strategic transition towards a more predictable, transaction-based recurring revenue model is successfully taking root. As reflected in the financial performance for 2025, this ongoing evolution demonstrates the resilience of our core business and validates our operational investments, positioning the Group to deliver sustainable, long-term value creation.

For the financial year ended 31 December 2025, the Group achieved a total revenue of €40.3m, marking a 7.3% increase from the €37.5m recorded in 2024. This top-line growth is directly attributable to the robust, continued expansion of our Processing Solutions and Issuing and Acquiring Solutions (previously Merchant Solutions). These segments, which now form the core strategic focus of the Group, generated sufficient growth to more than offset a slight contraction in Licensing solutions.

CEO's Statement (Continued)

Commensurate with the overall expansion of the business, the cost of sales rose to €28.3m, up from €25.7m in the prior year. This increase was primarily driven by higher personnel and infrastructure costs, alongside higher card scheme and acquiring fees, the latter being directly proportionate to the increase in acquiring revenue. These strategic investments in our operational capacity continue to set the groundwork for increased economies of scale, positioning the Group to benefit from enhanced efficiencies and margin expansion in the years to come. Notwithstanding these elevated direct costs, the Group successfully delivered a stable gross profit of €12.0m, an improvement from the €11.8m achieved in 2024.

Other income for the year amounts to €0.3m, compared to €1.0m in 2024. The 2025 figure was largely supported by a card scheme subsidy related to Group implementation fees, whereas the elevated 2024 figure was primarily driven by government research grants awarded to a subsidiary.

Driven by a rigorous Group-wide commitment to cost consciousness, administrative expenses were significantly optimised, falling from €9.4m in 2024 to €7.7m in 2025. Similarly, marketing and promotional expenses were modestly reduced from €1.4m in 2024 to €1.1m in 2025. The Group purposefully maintained a relatively stable marketing spend to ensure continued visibility within the highly competitive industry and to actively secure new business pipelines.

The Group's EBITDA for 2025 stood at €4.6m, representing a 15% decrease from the €5.4m achieved in 2024. While the operational gross profit remained resilient, bolstered by the disciplined reduction in both administrative and marketing overheads, overall EBITDA was ultimately adversely impacted by the reduction in other income and substantial foreign exchange headwinds. Specifically, the Group absorbed a foreign exchange loss on operating activities of €1.7m in 2025, which contrasts sharply with the €0.8m exchange gain recognised in 2024 (see Note 22.3.1).

Consequently, as a direct result of the factors impacting EBITDA, the Group reported a profit before income tax of €1.3m, down from €2.2m in the previous year.



The payments industry is entering a new phase of transformation

Across the world, banks, fintechs, and payment providers are rethinking how payment infrastructure is designed, operated, and scaled. Legacy systems are becoming increasingly complex and costly to maintain, while expectations around speed, flexibility, and real-time capabilities continue to rise. At the same time, the role of data, automation, and intelligent orchestration is becoming central across the entire payments value chain.

For many years, the industry evolved through incremental upgrades adding new channels, payment methods, and gateways on top of legacy processing systems. While this approach enabled growth, it also increased architectural complexity and operational constraints.

Today, however, the shift is more fundamental. The industry is no longer simply adding new layers to existing infrastructure it is replacing the underlying acquiring architecture.

CEO's Statement (Continued)

Three structural forces are driving this transformation:

1. The explosion of acceptance endpoints

QR payments, Tap-to-Phone, eCommerce, marketplaces, and digital wallets are dramatically expanding how and where payments are accepted.

2. The emergence of real-time payment ecosystems

Instant payment schemes are reshaping expectations around transaction speed, settlement, and availability.

3. The rise of digital-first financial institutions and merchants

Fintechs, issuers, acquirers, and digital merchants expect payment infrastructure to behave like modern technology platforms scalable, programmable, and continuously evolving.

Legacy systems were never designed to support this level of scale, speed, and innovation.

This structural shift is creating a significant opportunity for RS2.

Over the past year, we have continued to accelerate our transformation from a software-led organisation into a global payments processing and infrastructure partner.

Our strategy is clear: to enable clients to modernise both issuing and acquiring on a single, unified platform giving them greater control, scalability, and speed to market. This strategic direction is shaping how we invest, how we execute, and how we position RS2 for sustainable long-term growth in the evolving global payments ecosystem.



Our platform remains at the heart of this transformation

BankWORKS® has been built to support end-to-end processing, orchestration, clearing and settlement across channels and payment types through a modern cloud-native architecture. As demand increases for unified, API-enabled and globally scalable infrastructure, we believe RS2 is well positioned to serve institutions looking for an alternative to fragmented or legacy environments.

During the year, we continued to make progress across product, technology and commercial execution.

We expanded client activity, advanced implementations across multiple regions, enhanced core capabilities across issuing, merchant services, orchestration and reconciliation, and strengthened our platform through further automation, AI-enabled tools and infrastructure upgrades.

These investments are not incremental. They are foundational to the next phase of RS2's development as we scale processing, improve efficiency and increase the value we deliver to clients.

Our direction for 2026 and beyond is increasingly clear. We are focusing the Group around scalable managed services, stronger issuing and acquiring capabilities, greater platform standardisation and more disciplined execution.

CEO's Statement (Continued)

We are concentrating resources on the markets and segments where we see the strongest strategic fit and growth potential, including financial institutions modernising legacy infrastructure, high-value managed services clients, and partners seeking more flexible payments capabilities in growth markets such as LATAM, Europe and selected international markets. We also see significant potential in the role AI and automation will play in the future of payments operations.

Across RS2, these capabilities are being applied to reduce manual effort, improve accuracy, accelerate delivery and create a more intelligent platform environment for both our teams and our clients. Over time, this will further strengthen our ability to combine operational resilience with smarter, data-driven decision-making.



What differentiates RS2 is not only our technology, but the combination of technology, payments expertise and operational capability

We bring together more than 35 years of industry experience, a unified platform architecture, growing regulated services capabilities and a business model increasingly aligned to recurring, transaction-based revenues.

In a market where many participants offer only partial solutions, RS2 is building a broader infrastructure proposition designed to support clients through transformation, growth and increasing complexity.

The opportunity ahead of us is substantial, but execution remains the priority. Our focus now is on scaling what we have built, improving speed and consistency across the organisation, and converting strategic positioning into sustained commercial performance.

We enter the next phase with a clear strategy, a stronger platform foundation and a growing belief in the role RS2 can play in the future of global payments infrastructure.

I would like to thank our colleagues across all regions for their commitment, energy and professionalism, our clients and partners for their trust, our board for their support of our team and our strategy and our shareholders for their continued support as we continue building the next chapter of RS2.

Radi Abd El Haj

Chief Executive Officer

23 April 2026

Board of Directors



Mario Schembri

Chairman & Non-Executive Director

Mr. Schembri joined RS2 in 1999 as Regional Manager, Mediterranean Region and took on the role of Deputy Chief Executive Officer in 2006. Mr. Schembri was appointed Chief Executive Officer in January 2008 and Chairman in January 2012.

Mr. Schembri has extensive knowledge related to card management systems, with diverse exposure to the international card organisations including VISA International, MasterCard and DINERS Club International. Up to the time of joining the Company, Mr. Schembri had been in the banking industry for 26 years and has vast experience relating to retail banking operations, product management and co-ordination. He also served as a lecturer and examiner for the IFS for a period of 12 years.



Radi Abd El Haj

CEO & Executive Director

Mr. El Haj joined RS2 in 1997 as a Project Manager for Tier 1 European banks where he was responsible for the implementation of corporate card programmes, later promoted to Customer Relationship Manager in 2002 and Head of Sales and Implementation in 2004. Mr. El Haj was appointed Chief Executive Officer in January 2012.

In the cards and payments industry, Mr. El Haj specialises in the areas of issuing, acquiring, clearing and settlement, e-commerce and accounting. His international experience, professional contacts in various regions and working closely with the Technical and Product Development Units within the Group, has contributed in providing RS2's clients with a global compliant platform.

Board of Directors (Continued)



Dr. Robert Tufigno LL.D.

Non-Executive Director

Dr. Tufigno, LL.D., has vast experience in company law, contract law, financial services, employment law, maritime law and legislative drafting. Dr. Tufigno, who is also an Arbitrator, has practised in the fields of general commercial law, property law and litigation. He has also acted as Chairman of Malta's Employment and Training Corporation and as Chairman of Malta's Housing Authority, and as past Board Director of Lohombus Bank. Dr. Tufigno is a former Partner at GTG Advocates.



Franco Azzopardi

Non-Executive Director

Mr. Azzopardi, a Certified Public Accountant with a UK postgraduate MSc in Finance, spent twenty-seven years working in public practice, ten of which with Deloitte Haskins and Sells and later in a firm he co-founded in 1990. In 2007 he exited the firm to contribute more towards the strategic direction of Boards of Directors. He specialises in corporate strategy, governance, risk and finance. He is today a professional director and a registered fellow member of the UK Institute of Directors. He serves on Boards of Directors, Audit, and Risk and Compliance Committees of both listed and private companies in various sectors including banking, insurance and software. He is a former CEO of a listed entity and previously also CEO of the leading logistics company in Malta. His focus there was sustainable growth in shareholder value, highest degree of readiness for public listing, and investor-family governance. As part of his social responsibility, he also contributed towards the development of the Malta Institute of Accountants. He is a fellow member having served on Council from 2007 till 2019. He was also elected and served as President of the Institute for the term 2015-2017.

Board of Directors (Continued)



Prof. Dr. Raša Karapandža

Non-Executive Director

Professor Karapandža is the Dean of EBS Business School and Professor of Finance, where he also serves as Academic Director of the Master in Finance program and holds the Chair of Finance. He earned his PhD in Economics and Finance at the Barcelona Graduate School of Economics under the supervision of Andreu Mas-Colell, following earlier studies in astrophysics at the University of Belgrade. He is currently a Visiting Professor at NYU and Co-Director of the NYU Center for Technology, Economics, and Development (CTED). His work focuses on investments, empirical asset pricing, and the use of technologies such as blockchain, AI, and large-scale data in economics and finance. He previously held visiting research positions at New York University and UC Berkeley. Earlier in his career he worked at BlackRock, Berkshire Hathaway, and Renaissance Technologies. He is a sixteen-time recipient of the EBS student body's Teaching Excellence Award, and his research has been featured in major international media outlets like WSJ, NYT and Bloomberg. He has also contributed to policy discussions on digital assets and financial innovation and has advised members of the US Congress.



Joseph Brennan

Non-Executive Director

Mr. Brennan brings over two decades of professional experience in the banking sector, including 17 years at Barclays where he held various leadership positions across business specialities. He currently serves as Managing Director within Global Transaction Banking, where he oversees Business Management, Client Experience, and Market Development teams. A qualified banking professional, Joseph has a proven track record of building and leading high-performing, commercially driven teams. His career has spanned multiple international markets, where he has led finance teams and executed strategic transformation initiatives.

Board of Directors (Continued)



Hilary Galea Lauri

Non-Executive Director

Mr Galea-Lauri is a UK Chartered Certified Accountant with a Practising Certificate in Auditing. He holds a warrant as a Certified Public Accountant. With a career spanning 38 years at KPMG Malta and other offices where KPMG has a presence, Mr. Galea-Lauri served as a senior Audit Partner, leading audits for a diverse portfolio of clients, both locally in Malta and internationally. He also contributed significantly to the firm's leadership as a member of its Executive Management Committee, and the Audit Executive Committee and Audit Quality Council for KPMG's sub-region of EMA.

Beyond his professional endeavours at KPMG, Mr. Galea-Lauri has been a key figure in the accounting community. He served as a Council Member of the Malta Institute of Accountants for 18 years, where he chaired the Audit and Accounting Technical Committees. He also lectured in advanced financial reporting and auditing, besides being an examiner for these core subject areas. Currently, he is an active member of the Institute's Ethics Committee.

Mr. Galea-Lauri is recognised as a court expert in the field of accounting and holds the position of Non-Executive Director and Audit Committee Chair for several financial institutions.



Dr. Ivan Gatt LL.D.

Company Secretary

Dr. Gatt LL.D. represents clients in a broad spectrum of substantive legal areas. Having vast experience in advising companies and board committees on corporate governance, he has facilitated a variety of transactions, including securities offerings, venture capital investments, corporate acquisitions, regulatory and compliance matters. In addition, he assists clients with annual general meeting preparation and gives advice on numerous regulatory and compliance matters.

Corporate Social Responsibility

At RS2, corporate responsibility is closely linked to how we build our business for the long term. As a global payments infrastructure company, we recognise that sustainable growth depends not only on technology and commercial success, but also on how we support our people, contribute to our communities and manage our wider impact responsibly.

Our approach to corporate social responsibility is shaped by three priorities: **People, Communities and Environment**.

These priorities reflect our values and guide how we create long-term value for employees, customers, shareholders and the broader communities in which we operate.



People

Our people are central to RS2's success.

We are committed to fostering a workplace culture built on inclusion, respect, development and opportunity. We believe diverse perspectives strengthen innovation, improve collaboration and help us build better solutions for a rapidly evolving payments industry. RS2 has previously been recognised for its commitment to inclusive HR practices and for placing employee development and wellbeing at the centre of its people strategy.

We continue to invest in learning and professional development across the organisation. Through internal training programmes, technical and business skills development, and compliance education, we support our teams in building the expertise required to grow with the business and meet the demands of a highly regulated and innovation-driven sector. Mandatory training in areas such as data protection, payment security, anti-fraud and information security reinforces a culture of professionalism, responsibility and trust.

We also recognise that high performance depends on wellbeing. RS2 supports employee health, safety and mental wellbeing through dedicated programmes and partnerships designed to provide practical support both inside and outside the workplace.



Communities

RS2 aims to contribute positively to the communities in which it operates by supporting education, skills development and social initiatives. As a company built on technology and specialist expertise, we see talent development as both a business priority and a social responsibility.

We maintain strong links with universities, educational institutions and student development programmes, helping young people gain practical exposure to the fintech and payments industry. Through placements, mentoring and sponsorship of selected initiatives, RS2 supports the development of future professionals while also helping strengthen the local technology ecosystem.

Alongside education, RS2 continues to support a range of charitable, cultural and community organisations across its markets. These activities include both corporate support and employee-led fundraising initiatives, reflecting the company's belief that long-term success should be matched by meaningful social contribution.

Corporate Social Responsibility (Continued)



Environment

As a digital infrastructure business, RS2's environmental footprint is inherently lower than that of many traditional industries. Nevertheless, we remain committed to reducing our impact further through more efficient operations and practical sustainability measures across our offices, facilities and technology environments.

Our efforts include reducing paper usage through digital processes, improving resource efficiency and taking steps to lower emissions associated with day-to-day operations, including changes to the company vehicle fleet. We also continue to promote awareness of environmental responsibility across the organisation and encourage employees to support more sustainable ways of working.



Looking Ahead

Corporate responsibility at RS2 is not a standalone initiative. It is part of how we build a resilient, future-focused business. As the Group continues to evolve, we remain committed to strengthening our culture, supporting our communities and embedding responsible practices into the way we grow.

Directors' Report

For the year ended 31 December 2025

The Directors present their report, together with the financial statements of RS2 p.l.c. (the "Company") and its subsidiaries, RS2 Smart Processing Limited, RS2 Software INC., RS2 Software LAC LTDA, RS2 Software APAC Inc., RS2 Germany GmbH and RS2 Merchant Services Europe GmbH, together with its subsidiaries RS2 Financial Services GmbH and RS2 Zahlungssysteme GmbH (collectively referred to as the "Group"), for the year ended 31 December 2025.

Board of Directors

Mr. Mario Schembri (Chairman)

Mr. Radi Abd El Haj (CEO)

Dr. Robert Tufigno

Mr. Franco Azzopardi

Prof. Raša Karapandža

Ms. Natalie Strange (resigned on 3 April 2025)

Mr. Hilary Galea-Lauri

Mr. Joseph Brennan (appointed on 30 April 2025)

Principal activities

The Group and the Company are principally engaged in the development, installation, implementation and marketing of computer software for financial institutions under the trademark of BankWORKS® (Licensing Solutions). Through its subsidiaries, the Group acts as service provider with the use of BankWORKS® (Processing Solutions) and has also established its own Acquiring and Issuing business line by making use of a financial institution licence obtained through BaFin, the German regulator (Issuing and Acquiring Solutions, previously Merchant Solutions).

Business review and future developments

2025 was a defining year of strategic investment and foundational scaling for the Group as we accelerated our strategic evolution from a traditional software company into a comprehensive global payment processor. By building a robust technological runway and realigning our operational models, we have positioned the organisation for a highly focused execution phase in 2026.

Executing a deliberate strategy to secure long-term market leadership, the Group saw Processing and Issuing and Acquiring Solutions drive healthy revenue gains. These results stem from a dual focus: scaling our global footprint via new regional launches for major partners and deepening merchant penetration within our acquiring business.

Directors' Report (Continued)

Throughout the year, we successfully delivered live transaction processing, implementation of risk modules, orchestration layers, and automated product setups for a diverse portfolio of clients. This included successful go-lives and critical project milestones for major multinational banks in the US and UK, prominent financial institutions in Europe, and rapidly growing fintechs and mobile wallets across LATAM.

The Processing Solutions business line achieved significant operational scaling and portfolio diversification throughout the fiscal year, underscored by a 28% increase in transaction processing volumes compared to 2024, resulting in direct increase in revenue for the segment. This growth was primarily catalysed by the strategic expansion of our relationship with a global tier-one merchant acquirer and deepening relationship with a leading Latin American digital wallet and PayFac. Strategically, we have broadened our global footprint through partnership expansions with Visa across LATAM, EU, and APAC, and ACI Worldwide (ACI) in LATAM, securing new business evidenced by the sharp increase in accrued income and contract assets to €4.3m. These IFRS 15 contract balances represent high-quality, locked-in future revenues that are currently grinding through the implementation phase, eventually leading to additional growth in transaction revenue, further stabilising our recurring revenue base. To ensure our technological edge, we integrated industry-leading third-party solutions, including advanced 3DS authentication and secure tokenisation frameworks. Looking ahead, our pipeline remains robust with active potentials across Europe, LATAM and APAC.

The Group significantly enhanced its value proposition during 2025 by securing Principal Issuing Membership with both Mastercard and Visa, a critical milestone that transitions the company into a direct issuer and enables a more vertically integrated service model. Building on this regulatory foundation, we successfully launched our first issuing customer followed by the launch of our proprietary mobile application. With this development, the Group has redefined its third operating segment from Merchant Solutions to Issuing and Acquiring solutions to reflect its expanded service capabilities. The Issuing services launched in the last quarter of 2025 are expected to scale into sustainable economics within a two-year period. These advancements in issuing are complemented by the development of our Sponsorship Programme, which is positioned to onboard its first client in early 2026. The Acquiring services continue to deliver year-on-year growth evidenced by the 110% increase in acquiring volumes during 2025, resulting in a direct increase in revenue for the segment from €3.7m in 2024 to €5.3m in 2025. On the operational front, we have achieved a step-change in scalability through the deployment of fully automated merchant onboarding via APIs, drastically reducing time-to-market for our partners. This is further supported by a new gateway agreement to bolster our proprietary processing business and the successful launch of our Sales Agent App, which empowers our distribution network with real-time portfolio management tools. Together, these initiatives solidify our transition from a service provider to a comprehensive fintech infrastructure leader, prepared for accelerated growth in the coming year.

In the North American market, the Group made substantial progress by launching our Acquiring Programme in collaboration with a specialist US acquiring bank, powered by the RS2 BankWORKS® platform. This programme has already onboarded a number of Independent Sales Organisations (ISOs) and PayFacs, demonstrating the high market demand for our agile, bank-sponsored processing solutions. Additionally it secured a number of clients for our ISO/PayFac business providing a robust distribution network for our processing services. Underpinning these operational successes is a landmark partnership with a major card scheme for gateway and switching services. Product innovation and technological advancements remain the heart of our platform. In 2025, we finalised critical product achievements, including the rollout of a unified Merchant Portal for all clients, and the development of deferred debit, charge, and credit card issuing capabilities. We also completed prototypes for our Risk and Dispute Portals and pre-released our cardholder mobile application on major app stores.

Directors' Report (Continued)

A major highlight of the year was our investment in AI and robotics, which has driven unprecedented internal efficiencies. Through targeted automation, we saved 1,250 man-days across multiple operational teams and removed dependencies on legacy third-party software, as well as reducing our licensing costs. We successfully launched our proprietary AI chatbot and established advanced machine learning pipelines. To support our global scaling, we also upgraded our primary data centre capacity, doubling our infrastructure capability while improving cloud secure configuration monitoring. As we transition into 2026, our strategy shifts toward the global scaling of our processing capabilities, while expanding our issuing and acquiring sponsorship programmes across Europe and LATAM. To realise this transformation, we are committed to enhancing our organisational culture. We promote a "client first mentality" across our workforce, unifying our product build models, and actively researching advanced Reasoning AI models to reduce operational errors and free our teams to focus on higher-value, innovative work. The Board is highly encouraged by the foundational progress made in 2025 and remains confident in the Group's runway for sustainable global growth in 2026 and beyond.

Financial performance review

During the year under review, the Company registered revenues from its principal activities of €16.9m (2024: €16.3m) and a profit before tax of €0.03m (2024: €0.8m). From the Managed Services Solutions, RS2 Smart Processing Limited recorded revenues of €19.1m (2024: €13.4m) and a profit before tax of €4.2m (2024: €1.1m) while RS2 Software INC., recorded revenues of €11.8m (2024: €15.7m) and a profit before tax of €0.2m (2024: €3.2m). From the Issuing and Acquiring Solutions (previously Merchant Solutions), RS2 Financial Services GmbH recorded revenues of €3.2m (2024: €1.6m) and a loss before tax of €2.2m (2024: €1.5m), while RS2 Zahlungssysteme GmbH recorded revenues of €2.9m (2024: €2.7m) and a profit before tax of €0.2m (2024: loss before tax of €0.06m). These results reflect the strategy of the group where the Company continues to maintain its current licenced clients while being selective in the sales of new licences. The Managed Services Solutions is well established in the market and well positioned for further growth.

During the year under review, upon consolidating its activities, the Group generated revenues of €40.3m (2024: €37.5m) and registered a profit before tax of €1.3m (2024: €2.2m). At 31 December 2025, the Group's total assets amounted to €57.3m (2024: €49.1m), whereas its current liabilities exceeded its current assets by €1.3m (2024: €0.02m).

The structural groundwork laid this year, backed by robust capitalised technology and rapidly expanding contract balances, has primed our platform to translate these captured volumes into significant margin expansion and stronger operating cash flows in 2026 and beyond.

The Board of Directors is confident that the Group can continue to operate as a going concern for the 12 months from the end of the reporting period as set out on in the Going Concern section below.

A comprehensive review of the business and performance of the Group during the year under review, and an indication of future developments are given in the CEO's Statement set out on pages 11 to 15 of this Annual Report.

Directors' Report (Continued)

Key Figures

The Group

	2025	2024	2023	2022	2021
	€	€	€	€	€
Revenues (Eur 000s)	40,275	37,537	39,672	37,516	38,680
EBITDA (Eur 000s)	4,619	5,432	4,138	3,800	8,760
EBITDA margin (%)	11.47%	14.47%	10.43%	10.13%	22.65%
Profit/(loss) before tax (Eur 000s)	1,333	2,154	1,438	1,778	6,416
Earnings per ordinary share (Euro)	-€0.00	€0.00	-€0.00	€0.00	€0.02
Earnings per preference share (Euro)	-€0.00	€0.00	-€0.00	€0.00	€0.02
Equity to asset ratio (%)	40.40%	48.25%	46.75%	55.71%	53.41%
Debt/equity ratio multiple	1.48	1.07	1.14	0.80	0.87

Reserves

Retained earnings amounting to €21.8m (2024: €22.4m) for the Company and accumulated losses of €1.8m (2024: €0.9m) for the Group are being carried forward.

Dividends

The Group continues to focus on its growth strategy, which requires further investment in infrastructure and business development. For this reason, the Board is not recommending any final dividends for the year ending 31 December 2025 (2024: nil).

Going Concern

Management has prepared a going concern assessment for RS2 Group, based on the 2025 financials whilst also taking into consideration approved budgets covering periods 2026 to 2028. Cash flow projections and assumptions taken are updated to reflect observable trends related to customer spending and increases in costs. These movements have been modelled into the Group's budgets and impairment testing. The discount rates used in the determination of the assets' value in use have been further updated to reflect current market assessments of the time value of money through the current risk-free rate when calculating the Weighted Average Cost of Capital.

The 2026 consolidated top line is expected to show a steady improvement over the prior year and with further growth projected beyond 2026, while the group remains focused on cost effectiveness in its operations coupled with the benefits of economies of scale particularly in the Managed Services Solutions and Issuing and Acquiring Solutions (previously Merchant Solutions) and resulting in significantly improved profitability over the three-year period.

Directors' Report (Continued)

RS2 Group will continue to concentrate on implementing and delivering its strategy around its main business pillars of growing and expanding the managed service business, ramping up the US expansion and building its own direct acquiring and issuing business. The Group continues to invest further in its infrastructure to strengthen the technology and complete the product to play a more active role in the digitalisation of the whole customer journey, to offer omni-channel solutions and go beyond traditional payment solutions.

The outlook for 2026 is that business will ramp up with a stronger pipeline gearing up for the coming year, which, together with the launch of several exciting new products for the Group, including a Data Analytics Portal, a new Merchant Portal, AI and automation initiatives as well as focus on microservices allowing for better scalability which will lead the Group to a successful 2026 and beyond.

From a profitability viewpoint, in 2025, both Software (Licensing) and Managed Services (Processing) Solutions have delivered a positive bottom-line contribution before tax, while Issuing and Acquiring Solutions (previously Merchant Solutions) is expected to start generating a positive bottom line after 2028. The latter will continue to ramp up business organically through direct merchants and partners.

From a liquidity perspective, the Board and management are confident in the Group's ability to meet any working capital requirements as they arise.

The Directors are satisfied that at the time of approving the financial statements, the Group has adequate resources to continue operating as a going concern for the foreseeable future. This is based upon due consideration of the Group's anticipated profitability, liquidity, capital adequacy and solvency.

Pursuant to Capital Market Rule 5.64

Rule 5.64.1 - Share capital structure

The Company's authorised share capital is of €21,600,000, divided into €18,000,000 Ordinary Shares and €3,600,000 Preference Shares.

Ordinary Share Capital

The Company's authorised ordinary share capital is of €18,000,000, divided into 300,000,000 Ordinary Shares, at €0.06 each. The Company's issued ordinary share capital is of €13,104,222 divided into 218,403,701 ordinary shares of €0.06 each, each ordinary share being fully paid up. All of the issued Ordinary Shares of the Company form part of one class of Ordinary Shares in the Company, which shares are listed on the Malta Stock Exchange. All of the Ordinary Shares have the same rights and entitlement and rank *pari passu* between themselves.

Directors' Report (Continued)

The following are highlights attached to the Ordinary Shares:

Dividends:

The shares carry equal rights to participate in any distribution of dividends declared by the Company.

Voting rights:

Each share shall be entitled to two (2) votes at the meetings of the shareholders.

Pre-emption rights:

Subject to the limitations contained in the Memorandum and Articles of Association, shareholders are entitled to be offered any new shares to be issued by the Company, in proportion to their current shareholding, before such shares are offered to the public or to any person not being a shareholder.

Capital distributions:

The shares carry the right for the holders thereof to participate in any distribution of capital made whether on a winding up or otherwise.

Transferability:

The shares are freely transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time.

Other:

The shares are not redeemable.

Preference Share Capital

The Company's authorised preference share capital amounts to €3,600,000, divided into 60,000,000 preference shares, at €0.06 each. The Company's issued preference share capital amounts to €608,499 divided into 10,141,649 preference shares of €0.06 each, each preference share being fully paid up. All of the issued Preference Shares of the Company form part of one class of Preference Shares in the Company, which shares are listed on the Malta Stock Exchange. All of the Preference Shares have the same rights and entitlement and rank pari passu between themselves.

Directors' Report (Continued)

The following are highlights attached to the Preference Shares:

Dividends:

When a dividend is declared payable in respect of any financial period, the holders of Preference Shares shall be entitled to a dividend at a premium ("Premium Dividend") over the dividend distributed and payable to the holders of Ordinary Shares. Such Premium Dividend shall be determined by the Board of Directors at the time of issue of the dividend but shall not be less than ten per cent (10%).

Bonus Shares:

The holders of Preference Shares shall qualify in the same manner as the holders of Ordinary Shares to be entitled to any bonus shares issued by the Company.

Voting rights:

The holder shall not be entitled to vote at the meetings of the shareholders except for the purpose of:

- 1) reducing the capital of the Company; or
- 2) winding up of the Company; or
- 3) where the proposition to be submitted directly affects their rights and privileges; or
- 4) when the dividend on their shares is in arrears by more than six (6) months.

In such case where the holder of Preference Shares shall have the right to vote, such shareholder shall have one (1) vote in respect of each Preference Share held.

Pre-emption rights:

The holders of Preference Shares shall not have any rights of pre-emption in respect of allotment of Preference shares to officers and employees of the Company and, or its subsidiaries.

Capital distributions:

The holders of Preference Shares shall not be entitled to participate in the assets of the Company except by way of distribution of assets to its members on its winding up and this in the same manner as holders of Ordinary Shares. In any such case the holders of Preference Shares shall not enjoy any preference over the holders of the other shares.

Directors' Report (Continued)

Transferability:

The shares are freely transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time.

Other:

The shares are non-cumulative and are not redeemable.

Rule 5.64.3 - Holding in excess of 5% of the share capital

On the basis of the information available to the Company as at 31 December 2025, Information Technology Management Holding Limited (ITM) and Barclays Bank P.l.c. (Barclays) hold 109,799,922 and 39,618,896 ordinary shares respectively, equivalent to 48.04% and 17.34% of the Company's total issued share capital.

In his capacity as ultimate shareholder of ITM, Radi Abd El Haj directly and indirectly holds 48.36% of the issued share capital of the Company. As far as the Company is aware, no other person holds an indirect shareholding in excess of 5% of its total issued share capital.

Rule 5.64.5 – Employee share option scheme

The Company's subsidiary's share option scheme is administered by the Board of Directors of the relative subsidiary. The decision of the board on all disputes concerning share options is final.

Rule 5.64.7 – Restrictions on transfer of securities

By virtue of an agreement entered between ITM and Barclays, ITM undertook that, for so long as it holds more than 10% of the issued share capital of the Company, upon receiving any offer from third parties to acquire securities it holds in the Company, it is required to offer any such shares that it is desirous to transfer to Barclays.

Directors' Report (Continued)

Rule 5.64.8 - Appointment and replacement of directors

The Memorandum and Articles of the Company regulates the appointment of directors. Article 55.1 of the Articles of Association provides that a member holding not less than 0.5% of the issued share capital of the Company having voting rights or a number of members who in the aggregate hold not less than 0.5% of the issued share capital of the Company having voting rights shall be entitled to nominate fit and proper persons for appointment as directors of the Company. In addition, the directors themselves, or a committee appointed for the purpose by the directors, may make recommendations and nominations to the shareholders for the appointment of directors at the next Annual General Meeting (AGM).

Furthermore, in accordance with the provisions of Article 55.1(d) of the Articles of Association, the Board of Directors, may, at any time, appoint a director if it believes that the appointment would be beneficial to the Company due to the skill, expertise and knowledge of such person.

Article 55.3 of the Articles of Association of the Company also provides that in the event that the Board is of the opinion that none of the directors appointed or elected in accordance with the provisions of these Articles is a non-executive independent director competent in accounting and/or auditing as required by the Capital Market Rules relating to the composition of the Audit Committee, the Board shall, during the first Board meeting after the AGM, appoint a person who is independent and competent in accounting and/or auditing as a non-executive director, and shall appoint such person to the Audit Committee.

Unless they resign or are removed, directors shall hold office for a period of one year. Directors whose term of office expires, or who resign or are removed, are eligible for re-appointment.

Any director may be removed at any time by the Company in a general meeting, provided that the director who is to be removed shall be given the opportunity of making representations. A resolution for the appointment and/or removal of a director shall be considered to be adopted if it received the assent of more than fifty percent of the members present and voting at the general meeting.

Rule 5.64.8 - Amendments to the Memorandum and Articles of Association

Amendments to the Memorandum and Articles of Association of the Company are regulated by the Companies Act, 1995 (Chapter 386, Laws of Malta). Subject to the provisions of Article 79 of the Act, and the Approval of the Malta Financial Services Authority, the Company may, by extraordinary resolution, alter or add to its Memorandum and Articles of Association.

Directors' Report (Continued)

Rule 5.64.9 - Powers of the Board members

The directors are vested with the management of the Company, and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The directors are empowered to act on behalf of the Company and in this respect have the authority to enter into contracts and sue and be sued in representation of the Company. In terms of the Memorandum and Articles of Association they may do all such things that are not, by the Memorandum and Articles of Association, reserved for the Company in general meeting.

By virtue of an extraordinary resolution of the shareholders dated 27 June 2022, the Board of Directors is authorised to issue any share capital of the Company, which is unissued, which authority is valid for a maximum period of five (5) years, renewable for further periods of five (5) years each. As at 31 December 2025, the Company had eighty-one million, five hundred and ninety-six thousand, two hundred and ninety-nine (81,596,299) Ordinary Shares and forty-nine million eight hundred and fifty-eight thousand, three hundred and fifty-one (49,858,351) Preference Shares in unissued share capital.

Rule 5.64.11 – Agreements with employees

The Company and one of its subsidiaries, have agreements with employees holding senior management positions and directors providing for compensation upon termination based on either an agreed fixed amount or the then applicable annual salary. Such agreements include a non-competition clause, precluding such employees from competing with the Company and one of its subsidiaries, in the event that their employment is terminated. In order for these non-competition clauses to be enforceable, the Company and one of its subsidiaries, are bound to grant these individuals a sum based on an agreed fixed amount or the then applicable annual salary.

During 2019, one of Company's subsidiaries entered into a number of agreements with five employees, to the effect of allocating 5,626 share options in the subsidiary, with 75% vesting taking place over 36 months during which the employee must be in office and the remaining 25% vesting taking place over the next 12 months, during which the employee must be in office. On the tenth anniversary of the grant date or on the termination of employment, any award shares that have not vested shall automatically be forfeited. Upon termination, all shares issued upon exercise of the options shall be subject to a call option by the company to repurchase at fair market value. Four of the five individuals terminated their employment, while the remaining individual signed an amendment to the original agreement granting the share options to be effective from their respective employment start date. From the total allocated share options of 5,626 during 2019, 625 share options remain in effect as at 31 December 2025 (2024: 625).

Other disclosures pursuant to Rule 5.64

No disclosures are being made pursuant to Rules 5.64.2, 5.64.4, 5.64.6, 5.64.10 as these are not applicable to the Company.

Directors' Report (Continued)

Principal Risks and Uncertainties

In its operations, the Group has exposure to credit risk, liquidity risk and market risk. The Group's objectives, policies, and processes target to mitigate the effect of such risk by constantly measuring and managing such risk, whilst proactively managing its capital. A more comprehensive outlook of such risk exposure and the Group's response can be viewed in Note 6 to these financial statements.

Non-financial risks

- Market forces and competition

The global financial services industry in which the Group operates is characterised by rapidly evolving technology and industry standards, as well as new competitors such as FinTechs and Big Techs entering the market, driving change and market disruption, bringing new business models to the market. RS2 needs to be in a position to compete with such companies and meet the need for innovation in its industry.

To maintain its competitive edge, the Group has successfully transitioned its strategic focus from being primarily a software provider to a global managed service leader. Over the past years, the Group has invested significantly in modernising its proprietary platform, BankWORKS®, evolving it into an API-first, cloud-native architecture. This continuous development allows clients to bypass legacy roadblocks by overlaying RS2's orchestration layer onto their existing systems. Furthermore, to differentiate itself from the competition and optimise resources, the Group is actively integrating AI and robotics into its operations, forging strategic global alliances, and expanding its footprint across the full payments value chain through its direct Issuing and Acquiring Solutions (previously Merchant Solutions) brand, "Beyond by RS2".

- Dependence on key clients

RS2 generally benefits from a highly diversified global client base, including Banks, PayFacs, Payment Service Providers (PSPs), Independent Software Vendors (ISVs), acquirers and issuers. However, since some of its clients are large global corporates with a high aggregated payment and processing volume, these key clients stand for a large proportion of the Group's revenue. Although Management believes that its relationships with these key clients are stable, its ability to renew existing agreements with them, or to enter into new contractual relationships on commercially attractive terms, depends on a range of commercial and operational factors and events, any of which may be beyond RS2's control.

To broaden its client base, markets and opportunities, the Group has entered into strategic alliances with major industry players and continues to attract significant business. Furthermore, the Group remains highly active in its investment in the US subsidiary and the ramp up of its acquiring business, as well as maintained its focus on the continued growth of its Issuing and Acquiring Solutions (previously Merchant Solutions) business line through its subsidiaries in the Germany.

Directors' Report (Continued)

- Software risk

It is an inherent risk of this industry that software applications could contain undetected errors which could lead to the software not operating as intended. Any failure of the Group's current or future platforms, software and technology infrastructure, including the Cloud-Solution, could materially adversely affect its business, results of operations, financial condition or prospects. In this regard, RS2 has developed and continues to develop its own bespoke processing platform BankWORKS®, software and technology infrastructure and operates and maintains the processing-platform, which are critical to RS2's operations, customer service and reputation.

- Cyber security risk

Similar to business and technology, cyber threat evolves and is always present. The most common cyber security threats result in risks associated with either data breach or service provision disruptions. The nature of RS2's business and of its customers and partners, who use the processing services involve systems and environments that possess large amounts of sensitive data. RS2 cloud services and data centres as well as its operations, store and transmit sensitive information related to cardholders, merchants and financial institutions including names, addresses and accounts amongst other information that could be vulnerable to computer viruses, physical and cyber-criminal attacks and web fraudsters that could lead to destruction or theft of transaction data and/or personal data. This could lead to financial losses or delays in providing services to the customers. To mitigate such risk, the Group continues to expand its security resources and tools to fight and protect its systems and facilities in order to cover any attack or eventualities using its disaster recovery system and procedures that has been built in various locations to fit this purpose. In this regard, vulnerability scanning, awareness training, ongoing investments in security operations, incident security planning, supply chain monitoring, information security policies, insurance and compliance with regulatory requirements through annual audits are carried out.

- Risk to intellectual property and proprietary rights

The Group regards its intellectual property as critical to its success. It relies and will rely on a combination of trade secret, copyright, trademark and non-disclosure laws, domain name, registrations and other contractual agreements and technical measures to protect its intellectual property rights (IPR). To mitigate this risk, RS2 enters into confidentiality or license agreements with its employees, consultants and clients. The Directors consider that, currently, RS2 has appropriate systems and procedures to control access to and distribution of its intellectual property documentation and other proprietary information and are continually on the lookout for new tools to protect its IPR in the future.

Directors' Report (Continued)

Subsequent Events

Subsequent to the reporting date, geopolitical tensions involving the United States and Iran escalated into a conflict. Management considers this to be a non-adjusting event after the reporting period. At this point in time, the Group conducts no business with Iran.

The Group's operations in the United States, through its subsidiary RS2 Software INC., are heavily focused on domestic volume, specifically providing acquiring processing for ISOs, acquirers, and PayFacs that serve US-based merchants. Particularly, the Group's largest client in the region is also oriented primarily towards domestic customers. Given this domestic market focus, Management does not anticipate any direct impact on the Group's business operations or financial position at this point in time, unless the conflict triggers a broader economic downturn. While Management is aware of the potential for additional compliance monitoring, no direct risks are foreseen, though the situation continues to be monitored closely.

Furthermore, in light of these escalating global conflicts, the Group recognises a generally heightened risk environment regarding state-sponsored cyber warfare and advanced persistent threats. As the financial sector remains a primary target, the Group continues to monitor these global developments in real-time, proactively evaluating its operational resilience to ensure that its defensive architecture and incident management protocols remain robust.

While no immediate business disruptions are expected, the Board of Directors remains mindful of the broader indirect risks associated with such geopolitical conflicts, including global price hikes, rising inflation, and potential digital disruption, and will continue to evaluate the macroeconomic landscape.

Signed on behalf of the Company's Board of Directors on 23 April 2026 by Mario Schembri (Chairman) and Radi Abd El Haj (Director and Chief Executive Officer) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Accounts 2025.

Corporate Governance Statement of Compliance

For the year ended 31 December 2025

Pursuant to the Malta Financial Services Authority Capital Market Rules 5.94 and 5.97, RS2 p.l.c. (“the Company”) is hereby presenting a statement of compliance with the Code of Principles of Good Corporate Governance (“the Principles” or “the Code”) for the year ended 31 December 2025, which details the extent to which the Principles have been adopted, as well as the effective measures taken by the Company to ensure compliance with these Principles.

Good corporate governance is the responsibility of the Board of Directors (“the Board”), which adopts the Principles and endorses them accordingly. The Board believes that adoption of the Principles is evidence of the Company’s commitment to a more transparent governance structure in the best interest of its shareholders and the market as a whole.

As demonstrated by the information set out in this statement, together with the information contained in the Remuneration Report, the Company believes that it has, save as indicated in the section entitled “Non-Compliance with the Code”, throughout the accounting period under review, applied the Principles and complied with the provision of the Code. In the Non-Compliance Section, the Board indicates and explains the instances where it has departed from or where it has not applied the Code, as allowed by the Code.

Part 1: Compliance with the Code

Principle One: The Board

The Board is composed of one (1) executive director and six (6) non-executive directors.

All the Directors, individually and collectively, are of the appropriate calibre with the necessary skills, diversity of knowledge and experience to assist them in providing leadership, integrity and judgement in directing the Company.

The Board is entrusted with establishing the long-term strategy, objectives and policies of the Company and ensuring that these are pursued within the parameters of the relevant laws and regulations and best business practices.

Further detail in relation to the Committees and the responsibilities of the Board may be found in Principle Four of this statement.

Principle Two: Chairman and Chief Executive

In line with the Principles, the roles of the Chairman and the CEO are kept separate. The Company adopts a structure of clear division of responsibilities between the running of the Board and the management of the Company’s business. The Chairman is responsible to lead and set the agenda of the Board. The Chairman ensures that the Board’s members are all actively engaged in discussions and receive precise, timely and objective information so that the Directors can take judicious and rigorous decisions to be able to effectively monitor the performance of the Company.

The Chairman is also responsible for communicating with shareholders. During 2025, the position of Chairman was occupied by Mr. Mario Schembri.

Corporate Governance Statement of Compliance

(Continued)

The delegation of specific responsibilities to appropriate Committees, namely the Audit Committee and the Remuneration Committee is taken care of by the Board. On the other hand, the CEO takes care of the day-to-day running of the Company's business. During 2025, this position was occupied by Mr. Radi Abd El Haj.

Principle Three: Composition of the Board

The number of directors shall be not less than three (3) and not more than eight (8) individuals. This range provides diversity of thought and experience without hindering effective discussion or diminishing individual accountability. Members of senior management also attend meetings, albeit without a vote, at the request of the Board, as and when necessary. The Board is currently composed of one (1) executive director (CEO) and six (6) non-executive independent directors. In determining the independence or otherwise of its directors, the Board has considered, amongst others, the Principles relating to independence contained in the Code, the Company's own practice as well as general good practice.

In accordance with Code Provision 3.2 of the Code, the Board has taken the view that the business relationship existing between the Company and one of its directors, Mr. Mario Schembri, is not significant and thus does not undermine the said director's ability to consider appropriately the issues which are brought before the Board. Apart from possessing valuable experience, the Board feels that the director in question is able to exercise independent judgement and is free from any relationship which can hinder his objectivity. Dr. Robert Tufigno no longer has a business relationship with the Company. Furthermore, with respect to the non-executive directors Mr. Mario Schembri, Dr. Robert Tufigno and Mr. Franco Azzopardi, despite their longevity of service, the Board retains that there are no relevant factors that impair their objectivity or that could influence or exert bias in their judgement and hence they are determined to be independent.

The appointment of directors to the Board is reserved exclusively to the Company's shareholders, except in so far as an appointment may be made to fill a casual vacancy on the Board or to comply with the provision of the Capital Market Rules, relating to the members of the Audit Committee. Prior to being appointed as directors, nominees undergo a due diligence process by the Company, to establish that they are fit and proper persons.

Principle Four: The Responsibilities of the Board

The Board has the first level responsibility of executing the four basic roles of corporate governance namely accountability, monitoring, strategy formulation and policy development. The Board regularly reviews and evaluates corporate strategy, major operational and financial plans, risk policy and the performance of the Company. The Board has a formal schedule of matters reserved for it to discuss and includes a review of management's implementation of corporate strategy and corporate objectives, assessment of the Company's present and future operations, opportunities, risks and threats emanating from the external environment as well as current and future strengths and weaknesses.

When a Director is unable to agree with a decision of the Board, because a proposed course of action is not deemed to be consonant with his statutory or fiduciary duties and responsibilities, and all reasonable steps have been taken to resolve the issue, the Director can either opt to formally note his reasons for objection to any decision of the Board, or alternatively if the decision is of such material importance, then resignation may be the better alternative. When a Director feels that resignation may be a better alternative to submission, which objectively is of material importance to the shareholders, then an appropriate announcement will be made.

Corporate Governance Statement of Compliance

(Continued)

Board Committees

The Board has established the Audit Committee and the Remuneration Committee.

Audit Committee

The Audit Committee's terms of reference, which have been reviewed by the Malta Financial Services Authority, are modelled on the provisions of the Capital Market Rules, primarily to monitor the financial reporting process and the effectiveness of the Company's internal control procedures. Whilst the Committee vets and approves related party transactions, it also considers the materiality and the nature of related party transactions to ensure that the arm's length principle is adhered to.

The Audit Committee is responsible for managing the Board's relationship with external auditors, monitoring the audit of the annual and consolidated accounts, making recommendations to the Board on their appointment and monitoring their independence, especially with respect to non-audit services. An Internal Audit function has been set up for the regulated subsidiary in Germany and the Committee constantly monitors and assesses the role and effectiveness of such internal audit function. Moreover, the Audit Committee shall review the Company's arrangements related to whistle blowing, also ensuring that such arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

Mr. Franco Azzopardi, an independent non-executive director appointed by the Board, acts and serves as Chairman, whilst Dr. Robert Tufigno, Prof. Raša Karapandža and Mr. Hilary Galea Lauri, all independent non-executive directors, act as members. Mr. Hilary Galea Lauri was appointed as a member of the Audit Committee following his election to the Board of Directors on 5 June 2024. The Company Secretary, Dr. Ivan Gatt, acts as secretary to the Committee.

Mr. Franco Azzopardi is a certified public accountant specialising in corporate strategy, governance, risk and finance, and contributes towards the development of the Malta Institute of Accountants. Prof. Raša Karapandža is a professor of finance and serves as an academic director of the Master in Finance programme. Dr. Robert Tufigno has practised in the fields of general commercial law, property law and litigation. Mr. Hilary Galea Lauri is a chartered certified accountant, a former senior partner at a big four firm and has served for 18 years on the Malta Institute of Accountants' Council. All members are deemed as competent members of the Audit Committee by the Board and the Board considers Mr. Azzopardi and Mr. Galea Lauri as the persons competent in accounting and auditing. The Board of Directors of the Company considers that the Audit Committee as a whole has the required competence relevant to the payment software industry. In fact, each member has an individual skill set which complements the skills required in this industry.

Corporate Governance Statement of Compliance

(Continued)

The executive directors, members of senior management and the external auditors are invited to attend meetings at the request of the Committee, as and when required.

Meetings held: 6

Attended

Mr. Franco Azzopardi	6
Dr. Robert Tufigno	5
Prof. Raša Karapandža	6
Mr. Hilary Galea Lauri	6

Principle Five: Board Meetings

Meetings of the Board are held as frequently as necessary and are notified by the Company Secretary with appropriate notice before the meeting. Each agenda for the forthcoming meeting is accompanied by such papers and documents as are necessary to make directors informed of the issues to be discussed and in particular the decisions they are expected to take. Meetings may also include presentations by Management, whilst other information and documentation is made available for perusal by the directors, at their request. After each Board meeting and before the next, minutes that faithfully record attendance and decisions are circulated to all directors. Members of senior management attend meetings at the request of the Board, as and when necessary.

When the Audit Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on actions needed to address the issue or improvements to be made. The Board shall satisfy itself that any issues raised by the audit committee and the external Auditor and communicated to the Board, have been adequately addressed.

Corporate Governance Statement of Compliance

(Continued)

The Board meetings were attended as follows:

	Meetings held: 5
	Attended
Executive Director	
Mr. Radi Abd El Haj (CEO)	5
Non-executive Directors	
Mr. Mario Schembri (Chairman)	5
Dr. Robert Tufigno	5
Mr. Franco Azzopardi	5
Prof. Raša Karapandža	5
Ms. Natalie Strange*	-
Mr. Hilary Galea Lauri	5
Mr. Joseph Brennan**	3

* Resigned on 03 April 2025

** Appointed on 30 April 2025

Dr. Ivan Gatt occupies the position of Company Secretary.

Principle Six: Information and professional development

The CEO is appointed by the Board and enjoys the full confidence of the Board. The CEO, although responsible for the recruitment and selection of senior management, consults with the Remuneration Committee and the Board on the appointment of, and on a succession plan, for senior management.

As part of the Company's succession planning, the Board implements appropriate schemes to recruit, motivate and retain highly qualified individuals by creating the right environment and opportunities to move forward within the organisation. On their appointment, new directors are provided with briefings by the CEO and the other Chief Officers on the activities of their respective business area. Ongoing training of directors, management and employees is seen as very important.

The Directors have access to the advice and services of the Company Secretary and supporting legal advice, and are entitled, as members of the Board, to take independent professional advice on any matter relating to their duties, at the Company's expense. The Directors are fully aware of their responsibility to always act in the best interest of the Company and its shareholders as a whole, irrespective of whoever appointed them to the Board.

Corporate Governance Statement of Compliance

(Continued)

Principle Seven: Evaluation of the Board

During the year under review, the Board undertook an evaluation of its own performance. The evaluation exercise was conducted through a Board effectiveness questionnaire. The results were communicated to the Chairman and then discussed at Board level and there were no material changes in the Company's governance structures and organisation to report.

Principle Eight: Committees

The Remuneration Committee is dealt with under a separate section in the Annual Report entitled "Remuneration Report" which can be found on pages 44 to 47. This section also includes a "Remuneration Statement" which deals with the remuneration of Directors and senior management.

Principles Nine and Ten: Relations with Shareholders, Market, and Institutional Shareholders

The Company is highly committed to having an open and communicative relationship with its shareholders and investors. At the Company's AGM, the Board ensures that information is communicated to the shareholders in a transparent and accountable manner. The ordinary business at the AGM is to consider the financial statements of the Company, the directors' and auditors' report for the period, to approve any dividend recommendation by the directors, to elect the directors and to appoint the auditors. The Chairman ensures that all Directors of the Board who include the Chairmen of the Audit and Remuneration Committees are available at the AGM in order to answer questions.

The Board also considers the Annual Report to be an effective document which, in addition to statutory disclosures, contains detailed information about the Company and its performance.

At the time of the AGM or whenever there are any significant events affecting the Company, meetings are held with institutional investors, financial intermediaries and stockbrokers. The Board recognises the importance of providing the market with regular, timely, accurate, comprehensive and comparable information in sufficient detail to enable investors to make informed decisions. Periodic Company Announcements are issued in accordance with the Capital Market Rules to maintain a fair and informed market in the Company's equity securities. The Board discharges its obligations under the Memorandum and Articles of Association, legislation, rules and regulations by having in place formal procedures for dealing with potentially price-sensitive information and ensuring the proper conduct of its officers and staff in this regard. These procedures are incorporated in an Internal Code of Dealing which is drawn up in accordance with the requirements of the Capital Market Rules and which applies to all directors and key employees of the Company.

The Board believes that shareholders should have an opportunity to send communications to the Board. Any communication from a shareholder, to the Board generally or to a particular director, should be in writing, signed, contain the number of shares held in the sender's name and should be delivered to the attention of the Company Secretary at the principal offices of the Company.

Corporate Governance Statement of Compliance

(Continued)

Any two members of the Company holding at least five per cent (5%) of the shares conferring a right to attend and vote at general meetings of the Company, may convene an Extraordinary General Meeting in accordance with the provisions of the Articles of Association.

The Company's presence is also on the worldwide web through its website at www.rs2.com, which contains information and news about the Company, its products, developments and activities, as well as an investors section.

Principle Eleven: Conflicts of Interest

The Directors are strongly aware of their responsibility to act at all times in the interest of the Company and its shareholders as a whole, and of their obligation to avoid conflicts of interest, irrespective of whoever appointed them to the Board.

The Board has approved an Internal Code of Dealing that details the obligations of the directors, as well as those of senior management and other individuals having access to sensitive information, on dealings in the equity of the Company within the parameters of the law and the Principles. Each Director has declared his interest in the share capital of the Company distinguishing between beneficial and non-beneficial interest.

In accordance with the provisions of the Articles of Association of the Company, any actual, potential or perceived conflict of interest must be immediately declared by a Director to the other members of the Board, who then (also possibly through a referral to the Audit Committee) decide on whether such a conflict exists. In the event that the Board perceives such interest to be conflicting with the Director's duties, the conflicted Director is required to leave the meeting and both the discussion on the matter and the vote, if any, on the matter concerned, are conducted in the absence of the conflicted Director.

When a Director has a continuing material interest that conflicts with the interests of the Company, he is required to take effective steps to eliminate the grounds for conflict. In the event that such steps do not eliminate the grounds for conflict, then the Director should consider resigning.

Principle Twelve: Corporate Social Responsibility

The Company understands that it has an obligation towards society at large to put into practice sound principles of Corporate Social Responsibility (CSR). It is therefore committed to embark on initiatives which support the community, the environment, as well as sports and arts.

The Company recognises the importance of good CSR principles in its dealings with its employees. In this regard, it actively encourages open communication, teamwork, training and personal development, whilst creating opportunities based on performance, creativity and initiative. The Company is committed towards social investment and the quality of life of its work force and their families, and of the local community in which it operates.

Corporate Governance Statement of Compliance

(Continued)

Part 2: Non-Compliance with the Code

Principle Four: The Responsibilities of the Board

Principle 4.2.7: The Code recommends the development of a succession policy for the future composition of the Board of Directors. The Company does not consider this principle to be applicable to it on the basis that appointment of Directors is a matter which is reserved exclusively to the Company's shareholders (except as specified herein).

Principle Eight B: Nomination Committee

The Memorandum and Articles of Association of the Company regulates the appointment of directors. Article 55.1 of the Articles of Association provides that a member, holding not less than 0.5% of the issued share capital of the Company, having voting rights, or a number of members who in the aggregate hold not less than 0.5% of the issued share capital of the Company, having voting rights, shall be entitled to nominate fit and proper persons for appointment as directors of the Company. In addition, the directors themselves or a committee appointed for the purpose by the Board may make recommendations and nominations to the shareholders for the appointment of directors at the next AGM.

Within this context, the Board believes that the setting up of a Nomination Committee is currently not suited to the Company since it will not be able to undertake satisfactorily its full functions and responsibilities as envisaged by the spirit of the Code. Notwithstanding this, the Board will retain under review the issue relating to the setting up of a Nomination Committee.

Principle Nine (Code provisions 9.3 and 9.4): Relations with shareholders and with the market

The Company firmly believes that shareholder participation is an essential precondition for effective corporate governance. The Company has fully implemented the Shareholders Rights Directive (Directive 2007/36/EC) as transposed in Maltese Law and to this regard, has introduced a number of measures aimed at facilitating the exercise of shareholders' rights and protecting the shareholders' interests.

The measures currently available for shareholders, notably the right to put items on the agenda of the AGM, and to table draft resolutions, and the right to ask questions, provide the necessary safeguards for the protection of the shareholders' interests. To this regard, the Company does not believe that the current corporate structure requires it to introduce (a) procedures to resolve conflicts between minority shareholders and controlling shareholders; and/or (b) the possibility for minority shareholders to formally present an issue to the Board.

Pursuant to Capital Market Rule 5.97

Rule 5.97.4 – Internal Control and Risk Management Systems in relation to the Financial Reporting Process

The Board is ultimately responsible for the Group's systems of internal controls and for reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable, as opposed to absolute, assurance against material misstatement or loss.

Corporate Governance Statement of Compliance

(Continued)

Management is responsible for the identification and evaluation of key risks applicable to the different areas of business. The Board reviews its risk management policies and strategies and oversees their implementation to ensure that identified key risks are properly assessed and managed.

Financial reporting standards are applicable to all entities of the Group. Systems and procedures are in place to identify, control and report on the high-risk areas. The Board and the Audit Committee receive management information, giving an analysis of financial and business performance and position, including variances against budgets.

On a bi-annual basis, a discussion is held with the Audit Committee on the processes in place to generate this financial information. A discussion on the results is also held on a bi-annual basis with the Board of Directors.

Rule 5.97.6 – General Meetings

Pursuant to the Company's statutory obligations in terms of the Companies Act and the MFSA Capital Market Rules, the Annual Report and financial statements, the declaration of a dividend, the election of directors, the appointment of the auditors, the authorisation of the directors to set their remuneration, and other special business, are proposed and approved at the Company's AGM. The Board of Directors is responsible for developing the agenda for the AGM and sending it to the shareholders.

The AGM is conducted in accordance with Articles of the Company and has the powers therein defined. The shareholders' rights can be exercised in accordance with the Articles of the Company.

The Memorandum and Articles of the Company may be amended by means of an extraordinary resolution (as defined in the Articles) of the Company during general meetings.

All shareholders registered in the Shareholders' Register on the Record Date as defined in the Capital Market Rules, have the right to attend, participate and vote in the general meeting. A shareholder or shareholders holding not less than 5% in nominal value of all the shares entitled to vote at the general meeting may request the Company and/or table draft resolutions for items included in the agenda of a general meeting. Such requests are to be received by the Company at least forty-six (46) days before the date set for the relative general meeting.

A shareholder who cannot participate in the general meeting can appoint a proxy by written or electronic notification to the Company. Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to items on the agenda of the general meeting and to have such questions answered by the directors or such persons as the directors may delegate for that purpose.

Mario Schembri

Chairman

Radi Abd El Haj

Director

23 April 2026

Remuneration Report

For the year ended 31 December 2025

Terms of Reference and Membership

The remit of the Remuneration Committee (“the Committee”) is set out in the Terms of Reference adopted by the Board of Directors. The Committee is composed of three (3) non-executive directors, Dr. Robert Tufigno (Chairman), Mr. Franco Azzopardi and Mr. Mario Schembri. The CEO is invited to attend meetings of the Committee where appropriate. The Chairman of the Committee, Dr. Robert Tufigno, is independent in accordance with Code Provision 8.A.1.

Meetings

The Committee held three (3) meetings during the period under review.

	Attended
Dr. Robert Tufigno	3
Mr. Franco Azzopardi	3
Mr. Mario Schembri	3

Remuneration Statement

Remuneration of Directors

The determination of the remuneration arrangements for Board members is determined by the Committee. The Committee is primarily responsible for devising appropriate packages needed to attract, retain and motivate executive and non-executive directors with the right qualities and skills for the proper management of the Company and for ensuring compliance with the relevant provisions and regulations of good corporate governance on remuneration and related matters.

The Company has agreements with directors providing for compensation upon termination based on either an agreed fixed amount or the then applicable annual salary. These agreements include a non-competition clause, precluding such persons from competing with the Company in the event that their employment is terminated.

During the year, there were no director contracts which were terminated.

Remuneration Report (Continued)

Remuneration Statement – Senior Management

The Committee also makes recommendations on the remuneration of senior management. Upon making such recommendations, it considers that members of senior management of the Company are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the Company.

There have been no significant changes in the Company's remuneration policy during the financial year under review and no significant changes are intended to be affected during 2026.

In addition, the Committee is responsible for authorising all remuneration arrangements involving share options. In the case of the CEO and Chief Officers, the Committee is of the view that the link between remuneration and performance is reasonable and appropriate.

Non-cash benefits to which the CEO and Chief Officers are entitled to are the use of a company car and health insurance. Other benefits include an allowance in relation to a residential property. The death-in-service benefit also forms part of the contract of employment of senior management personnel on the same terms applicable to all other Company employees.

The Company has agreements with employees holding senior management positions providing for compensation upon termination, based on the then applicable annual salary. These agreements include a non-competition clause, precluding such employees from competing with the Company in the event that their employment is terminated.

Code Provision 8.A.5

Directors

For the financial period under review, the aggregate remuneration of the Directors of the Company was as follows:

Fixed Remuneration	€518,820
Variable Remuneration	€200,000
Fixed remuneration as full-time employees of the Company	€757,065

Remuneration Report (Continued)

Directors' total remuneration, split out by component, for the financial year ended 31 December 2025, was as follows:

	Fixed Remuneration	Variable Remuneration	Fixed remuneration as full-time employees of the Company	Total
	€	€	€	€
Mr. Mario Schembri (Chairman)	202,820	-	-	202,820
Mr. Radi Abd El Haj (CEO)	54,000	200,000	757,065	1,011,065
Dr. Robert Tufigno	76,500	-	-	76,500
Mr. Franco Azzopardi	76,500	-	-	76,500
Prof. Raša Karapandža	61,500	-	-	61,500
Mr. Hilary Galea-Lauri	47,500	-	-	47,500
Ms. Natalie Strange*	-	-	-	-
Mr. Joseph Brennan*	-	-	-	-
	518,820	200,000	757,065	1,475,885

* Natalie Strange, who was appointed as a director of the Company on 2 May 2023 and resigned on 3 April 2025, was the Corporate Strategy Director - Barclaycard Payments. Joseph Brennan was appointed as a director on 30 April 2025, hence replacing her. No remuneration was paid by the Company as both were remunerated accordingly by Barclays Group, being one of the shareholders of RS2 p.l.c..

In terms of Code Provision 8.A.5 of the Malta Financial Services Authority Capital Market Rules, Mr. Radi Abd El Haj received remuneration of €120,000 by one of the subsidiaries during the financial year ended 31 December 2025. The total emoluments Mr. Radi Abd El Haj was entitled to for this financial year amounted to €1,131,065.

The Remuneration Committee is guided by its Terms of Reference which binds the members of the Committee and defines parameters on constitution of committees, membership, frequency of meetings, the duties and defines other obligations of the Committee under a section named other matters.

In line with the aforementioned Terms of Reference; the Committee has the vested powers to agree on the remuneration package of the Directors based on parameters as set out therein. The committee has full visibility of the Company's projected budgets for a three-year span and is also aware of Company performance for any quarter and year. The remuneration of each Director, together with the responsibility carried by each member, ensures fair compensation to ensure achievement of the expected results of the Company, as outlined in the budgets, and ensures that the overall remuneration package remains competitive when positioned in the market. The performance criteria applied in 2025 were based on the responsibility that is expected to be carried by the Directors on various fronts including but not limited to; achievement of performance targets, retention of existing clients, adherence to governance rules and regulations in the various regions of established subsidiaries and ensuring best practices, as well as continuing to optimise management and operational practices of the Group.

The performance criteria on which the variable component of remuneration was awarded included both an objective evaluation (results-based) and strategic measures (behaviour-focused).

Remuneration Report (Continued)

The Committee measured these qualities and abilities as critical performance criteria. The evaluation process also focused on the ability to align the Company's operations with the strategy of the organisation and integration with the overall organisation's goals.

Senior Management personnel

For the financial period under review, the aggregate remuneration of the senior management personnel of the Company, other than those that serve as Directors, was as follows:

Fixed Remuneration	€846,469
Variable Remuneration	€247,500
Share-based Payments	€nil
Share Options	€nil
Others	€nil

The following table presents the annual change of remuneration on a full-time equivalent of employees of the Company other than directors over the most recent five financial years:

	2025	2024	2023	2022	2021
Fixed Remuneration	0%	-12%	-15%	29%	1%
Variable Remuneration	1%	40%	-46%	1%	13%

The contents of the Remuneration Report have been reviewed by the external auditor to ensure that the information that needs to be provided in terms of Chapter 12 of the Capital Market Rules including Appendix 12.1 has been included.

Dr. Robert Tufigno

Chairman, Remuneration Committee

23 April 2026

Statement of the Directors pursuant to Capital Market Rule 5.68

For the year ended 31 December 2025

We, the undersigned declare that to the best of our knowledge, the financial statements set out on pages 51 to 180 are prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the Group and that the Directors' Report includes a fair view of the performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that they face.

Signed on behalf of the Company's Board of Directors on 23 April 2026 by Mario Schembri (Chairman) and Radi Abd El Haj (Director and Chief Executive Officer) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Accounts 2025.

Company Information

For the year ended 31 December 2025

Directors	Mr Mario Schembri (Chairman) Mr. Radi Abd El Haj (CEO) Dr. Robert Tufigno Mr. Franco Azzopardi Prof. Raša Karapandža Ms. Natalie Strange (resigned 3 April 2025) Mr. Hilary Galea Lauri Mr. Joseph Brennan (appointed on 30 April 2025)
Company Secretary	Dr. Ivan Gatt
Registered Office	RS2 Buildings Fort Road, Mosta MST 1859 Malta
Country of Incorporation	Malta
Company Registration No	C 25829
Auditors	Deloitte Audit Limited Deloitte Place Triq L-Intornjatur Central Business District CBD 3050, Malta

Directors' Responsibility for the Financial Statements

For the year ended 31 December 2025

The Companies Act, 1995 (Chapter 386, Laws of Malta) requires the Directors of the Company to prepare financial statements for each financial period which give a true and fair view of the financial position of the Company and the Group as at the end of the financial period and of the profit or loss of the Company and the Group for that period in accordance with the requirements of International Financial Reporting Standards as adopted by the EU.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Group and the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additionally, the directors are responsible for:

- the preparation and publication of the Annual Financial Report, including the consolidated financial statements and the relevant tagging requirements therein, as required by Capital Markets Rule 5.56A, in accordance with the requirements of the European Single Electronic Format Regulatory Technical Standard as specified in the Commission Delegated Regulation (EU) 2019/815 (the "ESEF RTS"),
- designing, implementing, and maintaining internal controls relevant to the preparation of the Annual Financial Report that is free from material non-compliance with the requirements of the ESEF RTS, whether due to fraud or error, and
- for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic reporting format.

The Directors, through oversight of management, are responsible to ensure that the Group establishes and maintains internal control to provide reasonable assurance with regards to the reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

Management is responsible, with oversight from the Directors, to establish a control environment and maintain policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of the Group's business. This responsibility includes establishing and maintaining controls pertaining to the Group's objective of preparing financial statements as required by the Act and managing risks that may give rise to material misstatements in those financial statements. In determining which controls to implement to prevent and detect fraud, Directors consider the risks that the financial statements may be materially misstated as a result of fraud.

Signed on behalf of the Company's Board of Directors on 23 April 2026 by Mario Schembri (Chairman) and Radi Abd El Haj (Director and Chief Executive Officer) as per Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Accounts 2025.

Financial Statements



Statements of Financial Position

As at 31 December

	Note	THE GROUP		THE COMPANY	
		2025 €	2024 €	2025 €	2024 €
ASSETS					
Property, plant and equipment	8	7,475,272	7,685,858	7,061,877	7,196,766
Right-of-use assets	9	1,859,833	2,430,314	350,552	376,844
Intangible assets and goodwill	10	25,478,382	23,768,782	19,678,896	17,640,236
Investments in subsidiaries	11	-	-	24,120,982	22,565,982
Loans receivable	13	-	-	2,055,567	2,062,643
Finance lease receivable	9	203,526	188,844	-	-
Total non-current assets		35,017,013	34,073,798	53,267,874	49,842,471
Trade and other receivables	13	10,009,362	5,490,532	21,340,167	18,708,642
Finance lease receivable	9	113,501	103,406	-	-
Loans receivable	13	86,032	21,754	844,277	1,083,740
Prepayments		1,792,220	1,742,295	432,593	531,682
Accrued income and contract assets	14	4,291,577	1,194,908	310,529	193,343
Inventories	12	328,379	194,632	-	-
Restricted cash	15	2,930,348	2,909,426	-	-
Cash at bank and in hand	15	2,768,729	3,393,389	69,055	92,030
Total current assets		22,320,148	15,050,342	22,996,621	20,609,437
Total assets		57,337,161	49,124,140	76,264,495	70,451,908

Statements of Financial Position (Continued)

As at 31 December		THE GROUP		THE COMPANY	
	Note	2025 €	2024 €	2025 €	2024 €
EQUITY					
Ordinary Share Capital	16	13,104,222	13,104,222	13,104,222	13,104,222
Preference Share Capital	16	608,499	608,499	608,499	608,499
Reserves	16	13,365,041	13,189,133	13,694,250	13,625,131
(Accumulated losses)/ Retained earnings	16	(1,836,363)	(931,793)	21,789,527	22,413,513
Total equity attributable to equity holders of the Company		25,241,399	25,970,061	49,196,498	49,751,365
Non-controlling interest	11	(2,077,714)	(2,266,116)	-	-
Total equity		23,163,685	23,703,945	49,196,498	49,751,365
LIABILITIES					
Lease liabilities	9	1,488,876	2,032,374	376,752	398,714
Employee benefits	27	3,379,436	3,549,180	2,918,660	3,077,064
Deferred tax liability	18	5,709,841	4,768,493	4,076,763	3,424,833
Total non-current Liabilities		10,578,153	10,350,047	7,372,175	6,900,611
Bank borrowings	17	8,919,014	5,357,608	8,919,014	5,357,608
Trade and other payables	19	6,361,179	5,191,452	7,669,561	5,822,044
Lease liabilities	9	502,329	517,718	21,963	21,343
Current tax payable		1,888,723	769,213	509,151	509,155
Accruals	20	2,767,163	2,138,985	1,441,024	1,006,809
Provisions		794	912	-	-
Share-Based Payments	28	39,243	159,884	-	-
Deferred income	20	3,116,878	934,376	1,135,109	1,082,973
Total current liabilities		23,595,323	15,070,148	19,695,822	13,799,932
Total liabilities		34,173,476	25,420,195	27,067,997	20,700,543
Total equity and liabilities		57,337,161	49,124,140	76,264,495	70,451,908

The accompanying Notes on pages 62 to 180 are an integral part of these financial statements.

The Financial Statements were approved and authorised for issue by the Board of Directors and signed on behalf of the Company's Board of Directors on 23 April 2026 by Mario Schembri (Chairman) and Radi Abd El Haj (Director and Chief Executive Officer) as per Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Report and Accounts 2025.

Statements of Profit or Loss

For the year ended 31 December

	Note	THE GROUP		THE COMPANY	
		2025 €	2024 €	2025 €	2024 €
Revenue	21	40,275,130	37,537,033	16,919,132	16,269,181
Cost of sales		(28,276,470)	(25,726,769)	(13,654,439)	(13,753,253)
Gross profit		11,998,660	11,810,264	3,264,693	2,515,928
Other income	22	257,368	975,956	82,196	859,943
Marketing and promotional expenses		(1,057,727)	(1,398,370)	(140,529)	(208,386)
Administrative expenses		(7,743,783)	(9,409,004)	(2,185,552)	(2,649,748)
Other expenses	22	(77,534)	(38,656)	(24,587)	(22)
Exchange (loss)/gain on operating activities	22	(1,746,598)	791,815	(802,840)	498,889
Reversal of impairment loss/ (impairment loss) on trade receivables and contract assets	22	22,854	(192,284)	75,376	29,738
Results from operating activities		1,653,240	2,539,721	268,757	1,046,342
Finance income	23	101,738	53,906	99,227	127,772
Finance costs	23	(422,245)	(439,367)	(340,040)	(373,122)
Net finance costs		(320,507)	(385,461)	(240,813)	(245,350)
Profit before income tax	22	1,332,733	2,154,260	27,944	800,992
Income tax expense	24	(2,175,189)	(1,243,275)	(651,930)	(802,019)
(Loss)/Profit for the year		(842,456)	910,985	(623,986)	(1,027)
(Loss)/Profit for the year attributable to:					
Owners of the Company		(904,570)	46,004	(623,986)	(1,027)
Non-controlling interest		62,114	864,981	-	-
(Loss)/Profit for the year		(842,456)	910,985	(623,986)	(1,027)
(Loss)/Earnings per ordinary share	25	-€ 0.004	€ 0.000	-€ 0.003	-€ 0.000
(Loss)/Earnings per preference share	25	-€ 0.004	€ 0.000	-€ 0.003	-€ 0.000

The accompanying Notes on pages 62 to 180 are an integral part of these financial statements.

Statements of Comprehensive Income

For the year ended 31 December

	Note	THE GROUP		THE COMPANY	
		2025 €	2024 €	2025 €	2024 €
(Loss)/Profit for the year		(842,456)	910,985	(623,986)	(1,027)
Other comprehensive income					
<i>Items that are or may be reclassified to profit or loss</i>					
Foreign currency translation differences on foreign operations		196,894	(326,244)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement in net defined benefit liability	27	105,302	4,742	69,119	20,775
		302,196	(321,502)	69,119	20,775
Total comprehensive (loss)/income		(540,260)	589,483	(554,867)	19,748
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(728,662)	(166,680)	(554,867)	19,748
Non-controlling interest		188,402	756,163	-	-
Total comprehensive (loss)/income for the year		(540,260)	589,483	(554,867)	19,748

The accompanying Notes on pages 62 to 180 are an integral part of these financial statements.

Statements of Changes in Equity

For the year ended 31 December

THE GROUP		Attributable to equity holders of the Company									
		Ordinary Share Capital	Preference Share Capital	Share Premium	Translation Reserve	Employee Benefits Reserve	Other Reserve	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Note		€	€	€	€	€	€	€	€	€	€
Balance at 1 January 2025		13,104,222	608,499	14,763,347	(531,397)	(1,052,187)	9,370	(931,793)	25,970,061	(2,266,116)	23,703,945
Comprehensive income for the year											
(Loss)/Profit for the year		-	-	-	-	-	-	(904,570)	(904,570)	62,114	(842,456)
Other comprehensive income/(loss)											
Foreign currency translation differences		-	-	-	70,606	-	-	-	70,606	126,288	196,894
Remeasurement in net defined benefit liability		-	-	-	-	105,302	-	-	105,302	-	105,302
Total other comprehensive income for the year		-	-	-	70,606	105,302	-	-	175,908	126,288	302,196
Total comprehensive income/(loss) for the year		-	-	-	70,606	105,302	-	(904,570)	(728,662)	188,402	(540,260)
Balance at 31 December 2025		13,104,222	608,499	14,763,347	(460,791)	(946,885)	9,370	(1,836,363)	25,241,399	(2,077,714)	23,163,685

The accompanying Notes on pages 62 to 180 are an integral part of these financial statements.

Statements of Changes in Equity (Continued)

For the year ended 31 December

THE GROUP		Attributable to equity holders of the Company									
		Ordinary Share Capital €	Preference Share Capital €	Share Premium €	Translation Reserve €	Employee Benefits Reserve €	Other Reserve €	Retained Earnings €	Total €	Non- Controlling Interest €	Total Equity €
	Note										
Balance at 1 January 2024		13,104,222	608,499	14,763,347	(313,971)	(1,056,929)	-	(911,757)	26,193,411	(3,078,949)	23,114,462
Comprehensive income for the year											
Profit for the year		-	-	-	-	-	-	46,004	46,004	864,981	910,985
Other comprehensive (loss)/income											
Foreign currency translation differences		-	-	-	(217,426)	-	-	-	(217,426)	(108,818)	(326,244)
Remeasurement in net defined benefit liability	27	-	-	-	-	4,742	-	-	4,742	-	4,742
Total other comprehensive (loss)/income for the year		-	-	-	(217,426)	4,742	-	-	(212,684)	(108,818)	(321,502)
Total comprehensive (loss)/income for the year		-	-	-	(217,426)	4,742	-	46,004	(166,680)	756,163	589,483
Transactions with owners of the Company											
Acquisition of NCI without a change in control		-	-	-	-	-	9,370	(66,040)	(56,670)	56,670	-
		-	-	-	-	-	9,370	(66,040)	(56,670)	56,670	-
Balance at 31 December 2024		13,104,222	608,499	14,763,347	(531,397)	(1,052,187)	9,370	(931,793)	25,970,061	(2,266,116)	23,703,945

Statements of Changes in Equity (Continued)

For the year ended 31 December

THE COMPANY		Ordinary Share Capital	Preference Share Capital	Share Premium	Employee Benefits Reserve	Retained Earnings	Total
	Note	€	€	€	€	€	€
Balance at 1 January 2025		13,104,222	608,499	14,763,347	(1,138,216)	22,413,513	49,751,365
Comprehensive loss for the year							
Loss for the year		-	-	-	-	(623,986)	(623,986)
Other comprehensive income/(loss)							
Remeasurement in net defined benefit liability	27	-	-	-	69,119	-	69,119
Total other comprehensive income for the year		-	-	-	69,119	-	69,119
Total comprehensive income/(loss) for the year		-	-	-	69,119	(623,986)	(554,867)
Balance at 31 December 2025		13,104,222	608,499	14,763,347	(1,069,097)	21,789,527	49,196,498

The accompanying Notes on pages 62 to 180 are an integral part of these financial statements.

Statements of Changes in Equity (Continued)

For the year ended 31 December

THE COMPANY		Ordinary Share Capital	Preference Share Capital	Share Premium	Employee Benefits Reserve	Retained Earnings	Total
	Note	€	€	€	€	€	€
Balance at 1 January 2024		13,104,222	608,499	14,763,347	(1,158,991)	22,414,540	49,731,617
Comprehensive loss for the year							
Loss for the year		-	-	-	-	(1,027)	(1,027)
Other comprehensive income/(loss)							
Remeasurement in net defined benefit liability	27	-	-	-	20,775	-	20,775
Total other comprehensive income for the year		-	-	-	20,775	-	20,775
Total comprehensive income/(loss) for the year		-	-	-	20,775	(1,027)	19,748
Balance at 31 December 2024		13,104,222	608,499	14,763,347	(1,138,216)	22,413,513	49,751,365

Statements of Cash Flows

For the year ended 31 December

	Notes	THE GROUP		THE COMPANY	
		2025 €	2024 €	2025 €	2024 €
Cash flows from operating activities					
(Loss)/Profit for the year		(842,456)	910,985	(623,986)	(1,027)
Adjustments for:					
Depreciation	8, 9	855,146	946,709	246,230	271,873
Amortisation of intangible assets	10	2,110,882	1,945,684	1,917,542	1,686,649
Provision for expected credit losses	22	(22,854)	192,261	(75,376)	(29,738)
Bad debts and contract assets written off	22	-	23	-	-
Interest expense	23	400,968	438,330	339,375	373,845
Interest income	23	(101,738)	(53,906)	(99,227)	(127,772)
Unwinding of discount on post-employment benefits	27	79,236	68,378	70,352	60,871
Reversal on post-employment benefits	27	(9,365)	-	(9,365)	-
Share-based payments	28	(83,188)	(421,831)	-	-
Loss on disposal of property, plant and equipment	22	-	5,154	-	-
Dividend income	11, 22	-	-	-	(825,163)
Income tax	24	2,175,189	1,243,275	651,930	802,019
Provision for exchange fluctuations	22, 23	1,281,225	(739,109)	393,548	(460,501)
Deferred tax on remeasurement of employee benefits	27	841	-	-	-
		5,843,886	4,535,953	2,811,023	1,751,056
Changes in trade and other receivables		(8,931,098)	5,288,647	218,825	1,226,031
Changes in trade and other payables		5,282,410	(20,250)	276,025	(764,978)
Change in other related parties' balances		91,608	196,839	(817,939)	3,813,636
Inventories		(265,926)	(48,606)	-	-
Net cash generated from operating activities before interest and income tax		2,020,880	9,952,583	2,487,934	6,025,745
Interest paid on bank loan and overdraft	17	(328,367)	(365,059)	(328,367)	(365,059)
Interest paid on lease liabilities	9	(68,046)	(73,601)	(11,560)	(11,986)
Post-employment benefit paid during the year	27	(150,272)	-	(150,272)	-
Interest received		1,024	1,131	35,590	192,512
Income taxes paid		(311,516)	(1,355,054)	-	(99,289)
Net cash generated from operating activities		1,163,703	8,160,000	2,033,325	5,741,923
Cash flows from investing activities					
Acquisition of property, plant and equipment	8	(137,016)	(126,774)	(85,049)	(71,725)
Acquisition of intangible asset	10	(1,028,715)	(7,175)	-	-
Capitalised development costs	10	(3,640,040)	(3,367,363)	(3,956,202)	(3,607,522)
Proceeds from sale of asset		-	9,946	-	-
Advances to subsidiaries	11	-	-	(2,205,000)	(1,795,000)
Repayment of advances from subsidiaries		-	-	650,000	-
Finance lease receipts	9	201,732	172,148	-	-
Net cash used in investing activities		(4,604,039)	(3,319,218)	(5,596,251)	(5,474,247)

Statements of Cash Flows (Continued)

For the year ended 31 December

	Notes	THE GROUP		THE COMPANY	
		2025 €	2024 €	2025 €	2024 €
Cash flows from financing activities					
Repayments of bank borrowings	17, 31	(177,347)	(510,717)	(177,347)	(510,717)
Repayment of lease liabilities	9, 31	(510,142)	(488,799)	(21,342)	(20,917)
Repayment of share options	28, 31	-	(46,194)	-	-
Net cash used in financing activities		(687,489)	(1,045,710)	(198,689)	(531,634)
Net movement in cash and cash equivalents, including restricted cash held on behalf of customers					
		(4,127,825)	3,795,072	(3,761,615)	(263,958)
Cash and cash equivalents at 1 January, including restricted cash held on behalf of customers		1,123,106	(2,755,699)	(5,087,679)	(4,824,478)
Effect of exchange rate fluctuations on cash held		(215,218)	83,733	(665)	757
Cash and cash equivalents at 31 December, including restricted cash held on behalf of customers	15, 17	(3,219,937)	1,123,106	(8,849,959)	(5,087,679)

	Note	THE GROUP		THE COMPANY	
		2025 €	2024 €	2025 €	2024 €
Cash and cash equivalents	15	2,768,729	3,393,389	69,055	92,030
Other restricted cash held on behalf of customers	15	2,930,348	2,909,426	-	-
Bank overdraft	17	(8,919,014)	(5,179,709)	(8,919,014)	(5,179,709)
Total cash and cash equivalents including restricted cash held on behalf of customers	15	(3,219,937)	1,123,106	(8,849,959)	(5,087,679)

The accompanying Notes on pages 62 to 180 are an integral part of these financial statements.

Notes to the Financial Statements



Notes to the Financial Statements

1 Reporting Entity

RS2 p.l.c. (“the Company”) is a public limited liability company domiciled and incorporated in Malta with registration number C25829. The registered address of the Company is RS2 Buildings, Fort Road, Mosta, MST 1859, Malta. These consolidated financial statements as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (collectively referred to as “the Group” and individually as “Group entities”).

The Group and the Company are principally engaged in the development, installation, implementation and marketing of computer software for financial institutions under the trademark of BankWORKS® (Licensing Solutions). Through its subsidiaries, the Group acts as service provider with the use of BankWORKS® (Processing Solutions) and has also established its own Acquiring and Issuing business line by making use of a financial institution licence obtained through BaFin, the German regulator (Issuing and Acquiring Solutions, previously Merchant Solutions).

2 Basis of Preparation

2.1 Statement of Compliance

The consolidated and separate financial statements (“the financial statements”) have been prepared and presented in accordance with International Financial Reporting Accounting Standards as adopted by the EU (“IFRS” or “the applicable framework”). All references in these financial statements to IAS, IFRS or SIC / IFRIC interpretations refer to those adopted by the EU. These financial statements have also been drawn up in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta), and Article 4 of Regulation 1606/2002/EC, which requires the companies having their securities traded on a regulated market of any EU member state to prepare their consolidated financial statements in conformity with IFRS as adopted by the EU. Details of the material accounting policies are included in Note 4 to these financial statements. Legal Notice 19 of 2009 as amended by Legal Notice 233 of 2016, Accountancy Profession (Accounting and Auditing Standards) (Amendments) Regulations, 2016, which defines compliance with generally accepted accounting principles and practice as adherence to IFRS as adopted by the EU was also adhered to when preparing and presenting these financial statements.

2.1.2 Going Concern

The global financial services industry has transitioned from a period of rapid digital acceleration into an era of intelligent infrastructure and embedded finance. Payments no longer function merely as a transactional tool but have evolved into the essential “connective tissue” of a hyper-connected global economy. As digitisation permeates every facet of commerce, the industry’s focus has shifted toward hyper-automation, the integration of AI, and the pursuit of borderless, real-time value transfer.

The current landscape is defined by the accelerated adoption of automated commerce and the proliferation of digital identity. In 2026, the traditional payment journey is being reshaped by autonomous agents and “invisible” payment protocols that prioritise security and user frictionless-ness. This shift is supported by the global adoption of real-time, Account-to-Account (A2A) payment rails and the transition of legacy systems to cloud-native, microservices-based architectures. These technical advancements allow for unprecedented scalability and the agility required to meet the demands of a diverse global marketplace.

2 Basis of Preparation (Continued)

2.1 Statement of Compliance (Continued)

2.1.2 Going Concern (Continued)

Resilience remains the industry's hallmark. In the face of evolving macroeconomic conditions and a heightened regulatory environment - including the implementation of the Digital Operational Resilience Act (DORA) and PSD3 - payment providers have demonstrated a steadfast ability to maintain public trust through robust security and operational excellence. The decline of physical currency continues as contactless and mobile-first solutions become the global standard, while the growth of B2B cross-border payments presents a significant new frontier for expansion.

As the industry navigates this period of far-reaching change, the convergence of omnichannel experiences and biometrics is setting new benchmarks for consumer engagement. Despite the complexities of a fragmented geopolitical and economic environment, the payments sector remains a critical pillar of global financial stability. The medium- to long-term outlook for the industry is exceptionally positive, as the sector moves beyond simple transaction processing toward becoming a programmable, high-margin utility for global trade.

Against this dynamic backdrop, RS2 has successfully transitioned from a software provider into a global managed service leader. The Group's performance in 2025 and plans for 2026-2028 reflect a deliberate shift toward high-margin, recurring transaction revenue, underpinned by the following strategic pillars:

- *Cloud-Native Modernisation*: Recognising the industry's rejection of monolithic systems, RS2 has completed the evolution of BankWORKS® into an API-first, cloud-native architecture. This allows our clients to bypass "legacy roadblocks" by overlaying our orchestration layer onto their existing systems, a move that has reduced IT modernisation risks for our banking partners while shortening our own client onboarding timelines.
- *Strategic Global Alliances*: RS2's landmark collaboration with Visa USA is yielding a strong client pipeline. By merging Visa's front-end authorisation with RS2's robust back-end processing, this collaboration has created a streamlined global acceptance infrastructure. The Group has already concluded its first two deals via this partnership during 2025. RS2 has also established a strategic partnership with ACI combining the best of ACI's and RS2's acquiring and issuing capabilities, supporting financial institutions, ISVs, payment facilitators (PayFacs), ISOs and payment processors on their digital transformation and modernisation journey. There are several potentials in the pipeline and the first deals are expected to come through in 2026.
- *Operational Efficiency through AI*: In line with the industry-wide push for automation, RS2 has integrated AI and robotics to automate repetitive back-office tasks. This has already resulted in optimisation of resources and cost reductions, allowing the Group to continue investing in its platform while maintaining fiscal discipline.
- *Expansion into Issuing and Acquiring Solutions (previously Merchant Solutions)*: In addition to its Principal Acquiring Membership, during 2025 the "Beyond by RS2" brand has secured Principal Issuing Membership with both Visa and Mastercard. This enables RS2 to capture the full value chain, from issuing to acquiring. In acquiring, particularly in the German-speaking (DACH) markets, the Group recorded over 110% growth in acquiring revenues in 2025.

2 Basis of Preparation (Continued)

2.1 Statement of Compliance (Continued)

2.1.2 Going Concern (Continued)

While global macroeconomic conditions remain fluid, RS2 enters 2026 with a stable and growing baseline of managed services customers generating recurring transaction revenues, and a robust pipeline of new projects, which once past the implementation phase will continue to add to the Group's steady and scalable transaction-based revenue. In addition, the Group continues on its growth path in the merchant and cardholder solutions business (direct acquiring and issuing) particularly in Germany with the onboarding of more significant merchants planned for 2026, as well as in the US where the Group remains invested in ramping up the business.

RS2 continues to observe the economic landscape to assess potential risks to its future operations. Climate change is a topic increasingly gaining momentum because of its potential effect on companies' business models, cash flows, financial position and financial performance. While most industries are likely to be affected by climate change and efforts to manage its impact, some will be more affected than others. The Group is currently not aware of any present indicators but will continue to monitor the situation so that if any indicators arise through its customer base, supply chain, bankers, insurers, investors or jurisdiction, these will be disclosed and reflected accordingly in the Group's Annual Report.

The going concern assessment has been performed by Management for RS2 Group, based on 2025 financial results as well as approved budgets covering 2026 to 2028, which have been prepared in a prudent manner.

The 2025 consolidated top line has grown by 7% when compared to prior year. With the onboarding of new clients and growth of existing customers, RS2 has processed more than 2.38 billion technical transactions over the past 12 months on the RS2 Smart Processing Limited platform. Transaction volumes in RS2 Financial Services GmbH have increased from €93.8m in 2024 to €202.5m in 2025, resulting in a growth in acquiring revenue from €1.1m in 2024 to €2.4m in 2025.

During the year under review, on consolidating all of its activities, the Group generated revenues of €40.3m (2024: €37.5m) and registered a profit before tax of €1.3m (2024: €2.2m). At 31 December 2025, the Group's total assets amounted to €57.3m (2024: €49.1m), whereas its current liabilities exceeded its current assets by €1.3m (2024: €0.02m). On the other hand, the Company registered revenues from its principal activities of €16.9m (2024: €16.3m) and a profit before tax of €0.03m (2024: €0.8m). At 31 December 2025, the Company's total assets amounted to €76.3m (2024: €70.5m), whereas its current assets exceeded its current liabilities by €3.3m (2024: €6.8m). To mitigate this short-term working capital position, the Group maintains access to a €10.0m bank overdraft facility, of which €1.1m remained unutilised at year-end. This available headroom is further bolstered by €3.6m in post year-end customer receipts, ensuring that the Group maintains sufficient immediate liquidity to comfortably support its operations and meet its obligations as they fall due over the next 12 months.

RS2 Group will continue to concentrate on implementing and delivering its strategy around its main business pillars of growing and expanding the managed service business, ramping up the US expansion and continue growing its own direct acquiring business. The Group also plans to invest further in its infrastructure to strengthen the technology and complete the product to play a more active role in the digitalisation of the whole customer journey, to offer omni-channel solutions and go beyond traditional payment solutions.

The outlook for 2026 is that business will ramp up with a stronger pipeline gearing up for the coming year, which, together with the launch of other exciting new products for the Group, will lead the Group to a successful 2026 and beyond. As per the approved budgets of the Group, 82% of the budgeted revenue is generated from contracted and recurring revenue.

2 Basis of Preparation (Continued)

2.1 Statement of Compliance (Continued)

2.1.2 Going Concern (Continued)

From a liquidity point of view, RS2 p.l.c. has an overdraft facility of €10m to meet any working capital requirements. As at 31 December 2025 €1.1m (2024: €4.8m) was not being utilised. Receipts from customers after year end amounted to €3.6m, increasing the available undrawn facility to €4.7m immediately after year end.

In this respect, the Board of Directors is confident that both the Group and the Company can, not only continue to operate as a going concern for 12 months from the end of the reporting period, but will continue to see sustained growth over the coming years.

2.2 Basis of Accounting

Details of the Group's accounting policies are included in Note 4. Changes to material accounting policies are described in Note 3.

2.3 Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for financial instruments measured at fair value. The methods used to measure fair values are discussed further in Note 5.

2.4 Functional and Presentation Currency

These financial statements are presented in Euro, which is the Company's functional currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest currency unit unless otherwise stated.

2.5 Use of Estimates and Judgements

In preparing these financial statements, Management has made judgements, estimates and assumptions that affect the application of the Group's and the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2 Basis of Preparation (Continued)

2.5 Use of Estimates and Judgements (Continued)

Information about judgements, assumptions and estimation uncertainties that have a significant risk of uncertainty which may result in a material adjustment to the carrying amounts of assets and liabilities is included in the following notes:

Note 2.5.1	impairment reviews
Note 4.5.7	useful life of internally generated computer software, software rights and customer and other related contractual relationship
Note 5.1.3 and Note 28.2	cash-settled share-based payments
Note 6	recoverability assessment on trade and other receivables
Note 10.1 and Note 10.2	capitalisation of internally generated computer software
Note 10.8 and Note 10.9	impairment test for cash-generating unit (CGU) containing goodwill; key assumptions underlying recoverability
Note 10.8.4, Note 10.9.4 and Note 11	recoverability of investment in subsidiaries
Note 21	identification of performance obligations; allocation of transaction price to performance obligation as well as revenue recognition whether over time or a point in time
Note 27	measurement of defined benefit obligations

In accordance with the requirements of IAS 1 Presentation of Financial Statements, assumptions and other sources of estimation uncertainty that require Management's most difficult, subjective or complex judgements include impairment reviews.

2 Basis of Preparation (Continued)

2.5 Use of Estimates and Judgements (Continued)

2.5.1 Impairments Reviews

The determination of the recoverable amount involves significant management judgement. In most cases, this involves an assessment as to whether the carrying value of assets can be supported by the present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, as noted below.

With respect to goodwill, IFRS requires Management to undertake a test for impairment at least annually and at each reporting period if there is an indication that the asset may be impaired. The Group currently undertakes an annual impairment test covering goodwill and also reviews other certain financial and non-financial assets at least annually to consider whether a full impairment review is required.

There are a number of assumptions and estimates involved in calculating the present value of future cash flows from the Group's businesses, including Management's expectations of:

- growth in earnings before interest, tax, depreciation and amortisation (EBITDA), calculated as adjusted operating profit or loss before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- uncertainty of future technological developments;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

The selection of assumptions and estimates by Management involves significant judgement and small changes in these assumptions could result in the determination of a recoverable amount which is materially different to the results obtained using the variables selected by the Company. This is particularly so in respect to the discount rate and growth rate assumptions used in the cash flow projections. Changes in the assumptions used could significantly affect the Group's impairment evaluation and, hence, results.

3 New Standards and Changes in Material Accounting Policies

3.1 New Standards and Interpretations Not Yet Adopted

A number of new standards are effective for annual periods beginning on or after 1 January 2025 and earlier application is permitted, however the Group and the Company have not early adopted the new or amended standards in preparing these financial statements. These standards include the following:

- **Amendment to IFRS 18 – Presentation and Disclosure in Financial Statements:** In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. The new standard is intended to improve how entities communicate in their financial statements, with a particular focus on financial performance.

The standard is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The Group will adopt the new standard on its mandatory effective date. IFRS 18 requires retrospective application; therefore, the Group will restate its comparative information for the year ended 31 December 2026 upon adoption.

Management is currently assessing the overall impact of IFRS 18 on the Group's consolidated financial statements. While the new standard will not change the recognition or measurement of items in the financial statements, it will result in changes to presentation and disclosures. The key expected impacts are outlined below:

New Categories and Subtotals in the Statement of Profit or Loss: IFRS 18 introduces three new defined categories for income and expenses in the statement of profit or loss: Operating, Investing, and Financing.

- **Operating Category:** This will include all of the Group's core revenues and operating expenses, capturing all items not classified in the other categories.
- **Investing and Financing Categories:** The Group currently presents "Net finance costs". Under IFRS 18, the Group will be required to disaggregate this and classify bank interest and similar income in the Investing category, and bank loan interest and lease liability interest in the Financing category.

Consequently, the Group will present two new mandatory subtotals:

- **Operating profit or loss:** Comprising all income and expenses classified in the operating category.
- **Profit or loss before financing and income taxes:** Comprising the operating profit plus income and expenses classified in the investing category.

Management-Defined Performance Measures (MPMs): IFRS 18 introduces requirements for MPMs, which are subtotals of income and expenses that an entity uses in public communications outside the financial statements to communicate management's view of financial performance.

- The Group regularly communicates EBITDA in its Directors' Report and public announcements.
- Upon adoption of IFRS 18, if the Group's definition of EBITDA does not meet the specific exemptions in the standard (such as operating profit before depreciation, amortisation, and impairments), it will be classified as an MPM.
- Consequently, the Group will be required to include a dedicated note in the financial statements providing a reconciliation between EBITDA and the most directly comparable IFRS subtotal (Operating Profit), including the income tax and non-controlling interest effects of each reconciling item.

3 New Standards and Changes in Material Accounting Policies (Continued)

3.1 New Standards and Interpretations Not Yet Adopted (Continued)

Aggregation and Disaggregation of Expenses: IFRS 18 requires entities to present expenses in the operating category based on either their nature or their function, whichever provides the most useful structured summary.

The Group currently presents certain expenses by function (e.g., Cost of sales, Marketing and promotional expenses, Administrative expenses) on the face of the statement of profit or loss, supported by an "Expenses by nature" disclosure in the notes. Under IFRS 18, because the Group uses a functional presentation, it will be subject to stricter requirements to disclose the exact amounts of depreciation, amortisation, employee benefits, impairment losses, and inventory write-downs included within each specific functional line item.

Transition Disclosures: In the year of initial application (2027), the Group will provide a reconciliation for each line item in the statement of profit or loss between the restated amounts presented under IFRS 18 and the amounts previously presented under IAS 1 for the comparative period (2026).

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7: This amendment clarifies whether a financial liability is derecognised on the 'settlement date' and provides guidance on how to derecognise financial liabilities settled using an electronic payment system before the settlement date. The amendments are effective for annual periods beginning on or after 1 January 2026.
- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity: These amendments address accounting for power purchase agreements and allow companies to apply own-use or hedge accounting to nature-dependent electricity contracts, even if delivery timing is unpredictable due to weather conditions. The amendments are effective for annual periods beginning on or after 1 January 2026.
- Amendments in annual improvements to IFRS Accounting Standards Volume 11 - The IASB's annual improvements are limited to amendments that either clarify the wording of an IFRS standard or correct relatively minor unintended consequences, oversights or conflicts between requirements in the standards. The amendments are effective for annual periods beginning on or after 1 January 2026.
- Amendment to IFRS 19 – Subsidiaries without Public Accountability: Disclosures: This amendment allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. The amendments are effective for annual periods beginning on or after 1 January 2027.
- Amendments to IAS 21 – Translation to A Hyperinflationary Presentation Currency: This amendment clarifies how entities translate financial statements from a non-hyperinflationary functional currency into a hyperinflationary presentation currency. The amendments are effective for annual periods beginning on or after 1 January 2027.
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. There is currently no set date for when the amendments are effective.

The Group and the Company are in the process of assessing the potential impact, if any, of these Standards on these financial statements.

3 New Standards and Changes in Material Accounting Policies (Continued)

3.2 Changes in Material Accounting Policies

During the financial year ended 31 December 2025, the Group and the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's and the Company's accounting period beginning on 1 January 2025. The adoption of the following standards did not result in significant changes to the Group's accounting policies impacting the financial performance and position:

- Amendments to IAS 21 – Lack of exchangeability: This amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments are effective for annual periods beginning on or after 1 January 2025. The adoption of this amendment did not result in significant changes to the Group's and the Company's accounting policies impacting the financial performance and position.

4 Material Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Group entities.

4.1 Basis of Consolidation

4.1.1 Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to direct the relevant activities that significantly affect the subsidiary's returns. In assessing control, there should also be exposure, or rights, to variable returns from its involvement with the subsidiary and the ability of the Company to use its powers over the subsidiary to affect the amount of the Company's returns.

The financial statements of the subsidiary companies are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of the subsidiaries have been amended where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interests to have a deficit balance.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the holding company's owners' equity therein. Non-controlling interests in the profit or loss and other comprehensive income of consolidated subsidiaries are also disclosed separately.

4.1.2 Transactions Eliminated on Consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing these consolidated financial statements.

4 Material Accounting Policies (Continued)

4.2 Foreign Currency

4.2.1 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate as at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Foreign currency differences arising on retranslation are recognised in profit or loss except for differences arising on the revaluation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

4.2.2 Foreign Operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the functional currency using exchange rates as at the reporting date. The income and expenses of foreign operations are translated to the functional currency at exchange rates as at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve. However, if the operation is a non-wholly owned subsidiary, then the relevant proportion of the translation difference is allocated to non-controlling interests. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve is transferred to profit or loss as part of the profit or loss on disposal.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income in the consolidated financial statements, and are presented within equity in the foreign currency translation reserve.

4.3 Financial Instruments

4.3.1 Non-Derivative Financial Assets

The Group initially recognises loans and receivables and deposits on the date that they are entered into. All other financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

Financial assets not classified at fair value through profit or loss (FVTPL), are initially recognised at fair value plus directly attributable transaction costs.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset such amounts and intends to either settle such amounts on a net basis or to realise the asset and settle the liability simultaneously. The Group has the following principal non-derivative financial assets: loans receivable, trade receivables as well as cash at bank.

4 Material Accounting Policies (Continued)

4.3 Financial Instruments (Continued)

4.3.1 Non-Derivative Financial Assets (Continued)

4.3.1.1 Classification of Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

Debt instruments are subsequently measured at amortised cost, if they meet the following conditions:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Debt instruments are subsequently measured at fair value through other comprehensive income (FVTOCI), if they meet the following conditions:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

By default, all other financial assets are subsequently measured at FVTPL.

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

The Business Model

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

4 Material Accounting Policies (Continued)

4.3 Financial Instruments (Continued)

4.3.1 Non-Derivative Financial Assets (Continued)

4.3.1.2 Debt Instruments Measured at Amortised Cost

The following financial assets are classified within this category – trade and other receivables, cash at bank and loans receivable.

Appropriate allowances for expected credit losses (ECLs) are recognised in profit or loss in accordance with the Group's accounting policy on ECLs. Changes in the carrying amount as a result of foreign exchange gains or losses, impairment gains or losses and interest income are recognised in profit or loss.

Interest income is recognised using the effective interest rate method and is included in the line item 'Finance income'.

Trade receivables which do not have a significant financing component are initially measured at their transaction price and are subsequently stated at their nominal value less any loss allowance for ECLs.

4.3.2 Non-Derivative Financial Liabilities

The Group initially recognises all financial liabilities, except for debt securities issued and subordinated liabilities, on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

The Group's non-derivative financial liabilities include: loans, borrowings, trade and other payables, lease liabilities and accruals. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Trade payables are stated at their nominal value, unless the effect of discounting is material.

4.3.3 Share Capital

The terms of financial instruments that are issued, the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument are evaluated to determine whether the financial instruments issued are financial liabilities, financial assets or equity instruments or whether they contain separate components, in which case such components are classified separately as financial liabilities, financial assets and equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded as the proceeds received, net of direct issue costs. The Company's ordinary shares, as well as its preference shares, are classified as equity. Incremental costs directly attributable to the issue of ordinary and preference shares are recognised as a deduction from equity.

4 Material Accounting Policies (Continued)

4.3 Financial Instruments (Continued)

4.3.4 Cash and Cash Equivalents

Cash comprise cash balances, including those held at bank. Bank overdrafts that are repayable on demand and form part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented as current liabilities in the statement of financial position.

4.3.5 Restricted Cash

Through RS2 Financial Services GmbH, the Group holds cash balances in trust accounts which are restricted in nature as they can only be used for merchant customer settlements in its acquiring business and for balances held with respect to issued cards in its issuing business. Through RS2 Software INC., the Group holds balances in reserve accounts deposited by customers. Restricted cash is considered as part of the Group's cash and cash equivalents.

4.4 Leases

4.4.1 Leases as a Lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones) as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern of the lessee's benefit. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment, over a similar term, and with a similar security.

The lease liability is presented in the statement of financial position as a separate line item.

4 Material Accounting Policies (Continued)

4.4 Leases (Continued)

4.4.1 Leases as a Lessee (Continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest rate method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related ROU asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

Right-of-use assets (ROU)

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for certain re-measurement of the lease liability.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a ROU asset, such costs are included with the related ROU asset amount, unless those costs are incurred to produce inventories.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset, or the cost of the ROU asset reflects that the Group expects to exercise a purchase option, the related ROU asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The ROU assets are presented in the statement of financial position as a separate line item.

The Group applies IAS 36 to determine whether an ROU asset is impaired and accounts for any identified impairment loss as described in Note 4.7.3.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability nor the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included within 'Other expenses' in profit or loss.

4 Material Accounting Policies (Continued)

4.4 Leases (Continued)

4.4.2 Leases as a Lessor

The Group enters into lease agreements as a lessor with respect to its rented terminals. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for ECLs on the finance lease receivables. Finance lease income is calculated with reference to the gross carrying amount of the finance lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

4.5 Intangible Assets

4.5.1 Re-Acquired Rights

When as part of a business combination, the Group re-acquires a right that it had previously granted to the acquiree to use one or more of its recognised or unrecognised assets, an intangible asset is recognised separately from goodwill. The value of the re-acquired rights is measured on the basis of the remaining contractual term of the related contract regardless of whether market participants would consider potential contractual renewals in determining its fair value. A settlement gain or loss is recognised by the Group when the terms of the contract giving rise to a re-acquired right are favourable or unfavourable, relative to the terms of current market transactions, for the same or similar items.

4.5.2 Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess is negative, it is recognised immediately in profit or loss.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

4 Material Accounting Policies (Continued)

4.5 Intangible Assets (Continued)

4.5.3 Internally Generated Computer Software Development

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

4.5.4 Software Rights

Software rights that are separable or arise from contractual or other legal rights are recognised as intangible assets if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Software rights are initially measured at cost. Subsequent to initial recognition, software rights are recognised at cost less any accumulated amortisation and any accumulated impairment losses.

4.5.5 Customer and Other Related Contractual Relationship

Customer and other related contractual relationship acquired as a result of a business combination are initially recognised at their fair value at the date of acquisition, and are subsequently amortised on a straight-line basis based on the timing of projected cash flows of the contracts over their estimated useful lives.

4.5.6 Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates and when it meets the definition of an intangible asset and the recognition criteria. All other expenditure is recognised in profit or loss as incurred.

4 Material Accounting Policies (Continued)

4.5 Intangible Assets (Continued)

4.5.7 Amortisation

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use since this most closely reflects the expected patterns of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|---|----------|
| • internally generated computer software | 15 years |
| • software rights | 15 years |
| • computer software | 4 years |
| • other software | 15 years |
| • customer and other related contractual relationship | 12 years |

The amortisation method, useful life and residual value are reviewed at each financial year-end and adjusted if appropriate.

The assessment of all four categories of the useful life of software is based on the following factors:

- The software is the main driver of the Group's revenue and is expected to remain so for the foreseeable future;
- Highly qualified teams with robust expertise which enables the software to be efficiently managed;
- It is a mature product with years of development, knowhow and expertise;
- The software is maintained on a continuous basis to ensure that it keeps up with the technical, technological and commercial changes;
- Industry and market demands are stable due to the increase in technological change in the payment processes field;
- The company operates in a niche market with significant barriers to entry;
- The company owns the IPR for the software and therefore there is no definite period of control over the asset; and
- The usage of the asset is not dependent on the useful life of assets of other companies.

The assessment of useful life of customer and other related contractual relationship is based on the following factors:

- The average churn rate of customers based on historical figures;
- The extent to which the churn rate is expected to fluctuate on particular market segments due to technological upgrades; and
- The company operates in a competitive market which brings about its own challenges and affects the churn rate, however there is also an element of loyalty towards existing integrations.

4 Material Accounting Policies (Continued)

4.6 Investments in Subsidiaries

Investments in subsidiaries are shown in the statement of financial position of the Company at cost less any impairment losses. Loans advanced by the Company to its subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future, are treated as an extension to the Company's net investment in those subsidiaries and included as part of the carrying amount of investments in subsidiaries to the extent that they represent a capital contribution.

4.7 Impairments

4.7.1 Investments in Subsidiaries

The carrying amounts of the Company's investments in subsidiaries are reviewed at each reporting date to determine whether there is an indication of impairment. If such indication exists, then the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing 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. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

4.7.2 Non-Derivative Financial Assets

4.7.2.1 Expected Credit Losses

The Group recognises a loss allowance for ECLs on financial assets measured at amortised cost, as well as contract assets and lease receivables. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since initial recognition.

For trade receivables and contract assets that do not contain a significant financing component, the Group applies the simplified approach and recognises lifetime ECL.

4 Material Accounting Policies (Continued)

4.7 Impairment (Continued)

4.7.2 Non-Derivative Financial Assets (Continued)

4.7.2.1 Expected Credit Losses (Continued)

If evidence of a significant increase in credit risk at the individual instrument level is not yet available, the Group performs the assessment of significant increases in credit risk on a collective basis by considering information on, for example, a group or sub-group of financial instruments. Where the Group does not have reasonable and supportable information that is available without undue cost or effort to measure lifetime ECLs on an individual instrument basis, lifetime ECLs are measured on a collective basis. In such instances, the financial instruments are grouped on the basis of shared credit risk characteristics, such as the nature, size and industry. Where a collective basis is applied, a provision matrix is used, whereby a fixed provision rate is applied depending on the number of days that a trade receivable is outstanding. The following steps are followed in order to estimate the ECL on trade receivables:

Step 1: Determine the appropriate groupings of trade receivables into categories of shared credit risk characteristics.

IFRS 9 does not provide any explicit guidance or requirement on how to group trade receivables. To be able to apply a provision matrix to trade receivables, the population of individual trade receivables should first be aggregated into groups of receivables that share similar credit risk characteristics. Management deems that the most appropriate manner is the trade receivable aged analysis. Moreover, for the purpose of the Group's ECL calculation, the provision matrix is prepared in accordance with its default definition.

Step 2: Determine the period over which historical loss rates are obtained to develop estimates of expected future loss rates.

Once the sub-groups are identified, historical loss data needs to be collected for each sub-group. Again, IFRS 9 does not provide specific guidance on how far back the historical data should be collected. Judgement is needed to determine the period over which reliable historical data can be obtained that is relevant to the future period over which the trade receivables will be collected. Management deems a 14-month period to be reasonable to consider for ECL calculation purposes.

Step 3: Determine the historical loss rates.

Once sub-groups have been identified and the period over which loss data will be captured has been selected, the Group determines the expected loss rates for each sub-group sub-divided into past-due categories (i.e. a loss rate for balances that are 0 days past due, a loss rate for 1-30 days past due, a loss rate for 31-60 days past due, etc.). In this respect, losses incurred over the 14-month period considered for this exercise are to be taken for each ageing bucket. Dividing invoiced amounts in each ageing bucket by the losses incurred results in the loss rates to be used for each ageing bucket.

4 Material Accounting Policies (Continued)

4.7 Impairment (Continued)

4.7.2 Non-Derivative Financial Assets (Continued)

4.7.2.1 Expected Credit Losses (Continued)

Step 4: Consider forward looking macro-economic factors and adjust historical loss rates to reflect relevant future economic conditions.

The historical loss rates calculated in Step 3 reflect the economic conditions in place during the period to which the historical data relate. While they are a starting point for identifying expected losses, they are not necessarily the final loss rates that should be applied to the carrying amount. Albeit, Management deems that the historical loss rates were incurred under economic conditions that are representative of those expected to exist in the foreseeable future.

Step 5: Calculate the expected credit losses.

The ECL of each sub-group determined in Step 1 should be calculated by multiplying the current gross receivable balance plus contract assets by the loss rate. The summation of all the ECLs of each ageing bucket results in the total ECL of the portfolio.

For all other financial instruments, the Group uses the general approach and recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. The assessment of whether lifetime ECLs should be recognised is based on significant increases in the likelihood or risk of default occurring since initial recognition, instead of evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECLs represent the ECLs that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represents the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in equity, and does not reduce the carrying amount of the financial asset in the statement of financial position.

4 Material Accounting Policies (Continued)

4.7 Impairment (Continued)

4.7.2 Non-Derivative Financial Assets (Continued)

4.7.2.1 Expected Credit Losses (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument as at the reporting date with the risk of default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both the quantitative and the qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort and, where applicable, the financial position of the counterparties.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information, that is available without undue cost or effort, that demonstrates otherwise.

Despite the above assessment, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. Accordingly, for these financial assets, the loss allowance is measured at an amount equal to 12-month ECL. The Group has applied the low credit risk assumption for cash at bank held with banks rated as investment grade.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a) significant financial difficulty of the issuer or the borrower;
- b) a breach of contract, such as a default or past due event;
- c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- e) the disappearance of an active market for that financial asset because of financial difficulties.

4 Material Accounting Policies (Continued)

4.7 Impairment (Continued)

4.7.2 Non-Derivative Financial Assets (Continued)

4.7.2.1 Expected Credit Losses (Continued)

Based on past experience and reasonable and supportable information which corroborates this experience, as adjusted (where necessary) for forward-looking information, the Group and the Company consider that default has occurred when a financial asset is more than 300 days past due.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

Measurement and recognition of ECLs

For financial assets, the credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. ECLs represent the weighted average of credit losses. The assessment of the probability of default, and loss given default, is based on historical data adjusted by forward-looking information, where applicable. Forward-looking information considered includes, where applicable, the future prospects of the industries in which the Group's debtors operate, as well as consideration for various external sources of actual and forecasted economic information that relate to the Group's core operations.

4.7.3 Non-Financial Assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

4 Material Accounting Policies (Continued)

4.7 Impairment (Continued)

4.7.3 Non-Financial Assets (Continued)

Impairment losses are recognised in profit or loss unless the asset is carried at a revalued amount. For assets recognised at a revalued amount, the impairment loss is recognised in other comprehensive income to the extent that it does not exceed the amount in the revaluation recognised for that asset. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. In addition to this, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Share-Based Payment Transactions

The grant-date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related services and non-market performance conditions at the vesting date.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. As at each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

4.9 Employee Benefits

Non-competition post-employment benefits due to employees holding senior management positions are payable upon cessation for whatever reason, based on either a fixed amount or the then applicable annual salary. The cost of providing for these post-employment benefits is determined using the projected unit method, with estimations being carried out at each reporting date. In line with the recognition of other provisions, the post-employment benefits are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The liability recognised in the statement of financial position represents the present value of the expected future payments required to settle the obligation at the end of the reporting period. The present value of a defined benefit obligation is determined by discounting the estimated future cash outflows to be paid on termination using market yields. Such yields are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the estimated termination date. The Directors consider this to be an appropriate proxy to a high-quality corporate bond. The service cost and the net interest on the net defined benefit liability are recognised in profit or loss. Re-measurements of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit or loss in a subsequent period.

4 Material Accounting Policies (Continued)

4.9 Employee Benefits (Continued)

Re-measurements may include changes in the present value of the defined benefit obligation arising from experience adjustments and the effects of changes in the actuarial assumptions. Such re-measurements are reflected immediately in retained earnings.

With respect to RS2 Software APAC Inc., RA 7641 under Philippines law provides for the minimum retirement pay to qualified private sector employees in the Philippines. Benefits due under RA 7641 are accounted for as defined benefit plan under IAS 19. An employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year. The Group is in compliance of the minimum requirement of RA 7641 as at 31 December 2025 and has a non-contributory defined benefit plan for its employees. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements
- Net interest expense or income
- Remeasurements

The group recognises service costs within profit or loss as cost of sales and administrative expenses (Note 22.5). Net interest expense or income is recognised within finance costs (see Note 23).

Re-measurements may include changes in the present value of the defined benefit obligation arising from experience adjustments and the effects of changes in the actuarial assumptions. Such re-measurements are reflected immediately in retained earnings.

4.10 Revenue

Revenue is recognised when the Group or the Company satisfies a performance obligation by transferring control of a promised good or service to a customer. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Determining the timing of the transfer of control, at a point in time or over time, requires judgement.

In cases where there is transfer of control of a promised good or service to a customer, and this is not yet invoiced for, the Group recognises a contract asset. Once an invoice is issued to the customer, this contract asset is then recognised as a trade receivable. On the other hand, in cases where the Group invoices the customer prior to transfer of control of a promised good or service happening, a contract liability is recognised. Once the transfer of control to the customer happens, the contract liability is then recognised as revenue.

4 Material Accounting Policies (Continued)

4.10 Revenue (Continued)

4.10.1 Licenses

4.10.1.1 Perpetual Licenses and Significant Customisation/Implementation Services

License fees arise from software license agreements where the Group grants non-exclusive licenses to use specific BankWORKS® modules. In the case of perpetual licenses, the fee is generally a one-time fee.

The Group accounts for individual products and services separately if they are distinct, that is, if a product or service is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract) and if a customer can benefit from it either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct).

In accordance with IFRS 15, the Group is required to assess each arrangement to understand whether licenses are distinct from the significant implementation and customisation services provided with that license and from the other services provided. For the purposes of understanding whether the licenses are distinct, management is required to consider additional criteria including whether the customers can benefit from the use of the license alone or otherwise and whether there exist activities which require significant integration, modification or which are otherwise interdependent.

In this respect, Management has assessed that in the majority of the Group's contracts, the license and the significant implementation and customisation services are to be considered as one performance obligation in terms of the above criteria.

The Group has determined that revenue from this performance obligation should be recognised when the performance obligation has been satisfied by transferring control of a promised good or service to a customer. In this case, in accordance with IFRS 15, revenue is recognised as each licensed system is customised and set up according to the customer's specific needs, by reference to the stage of satisfaction of the performance obligation.

Payment for the license and the significant customisation services is generally fixed and is payable by the customer in advance by way of milestone payments. Any cash received in advance of the provision of the customisation services is therefore recognised as a contract liability, thus representing the entity's obligation to perform the obligation. Such amounts are recognised as revenue over the customisation period.

Such contracts are not deemed to have a significant financing component, as the period between the recognition of revenue under the stage of completion and the payment is less than one year.

Management has also considered IFRS 15's impact on contracts in which consideration for the promise is variable. For the license business, this is relevant for contracts in which the Group's consideration is based on a percentage of revenues that are earned by the client from its own customers. For this variable consideration, the Group concludes that it cannot include its estimate of such revenues in the transaction price until the uncertainty is resolved.

This is based on the fact that the variability of the fee based on the customer's own revenues indicates that the Group cannot conclude that it is highly probable that a significant reversal in the cumulative amount of revenue recognised would not occur. Accordingly, such estimates are not included before they are earned.

4 Material Accounting Policies (Continued)

4.10 Revenue (Continued)

4.10.1 Licenses (Continued)

4.10.1.1 Perpetual Licenses and Significant Customisation/Implementation Services (Continued)

The Group recognises revenue on the output method as the current systems in place assess the progress of completion based on the lifecycle of the delivery. This is deemed to be the more appropriate method for measuring revenue over time by observing the value to the customer transferred to date relative to the remaining deliverables promised.

4.10.1.2 Term License with the Provision Implementation Activities and Managed Services

The Group is party to a term license agreement with an option by the customer of acquiring the source code through an additional license for a longer term. The agreement also governs the provision by the Group of implementation activities at the inception of the contract and of managed services during the term of the agreement.

The Group accounts for individual products and services separately if they are distinct, that is, if a product or service is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract) and if a customer can benefit from it either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct).

In accordance with IFRS 15, the Group assesses whether licenses are distinct from the significant implementation and customisation services provided with that license and from the other services provided. For the purposes of understanding whether the licenses are distinct, Management considers additional criteria including whether the customers can benefit from the use of the license alone or otherwise and whether there exist activities which require significant integration, modification or which are otherwise interdependent. In this respect, Management has assessed that the license and the significant implementation and customisation services are to be considered as two performance obligation in terms of the above criteria.

The Group recognises the related fee for customisation and implementation activities over the customisation period. This is established on the basis that the infrastructure is owned, managed and governed by the customer and is hosted on its own system and that by the time the customised software is live, the customer has already obtained and paid for that system, without having to pay an additional amount for such customisation and implementation activities such that upon the exercise of the option to acquire the additional license, the customer has the contractual right and the practical ability to perform the managed services itself.

4 Material Accounting Policies (Continued)

4.10 Revenue (Continued)

4.10.1 Licenses (Continued)

4.10.1.2 Term License with the Provision Implementation Activities and Managed Services (Continued)

The Group recognises the revenue attributable to the term license over time, immediately upon each periodic renewal of the license agreement to the extent that the contract is either cancellable or to the extent that there is no history of enforcing contracts. The Group invoices the customer quarterly in advance, based on volume tiers which are trued-up annually.

The Group recognises revenue on the output method as the current systems in place assess the progress of completion based on the lifecycle of the delivery. This is deemed to be the more appropriate method for measuring revenue over time by observing the value to the customer transferred to date relative to the remaining deliverables promised.

The Group does not consider the customer's option to represent a material right that the customer would not receive without entering into that contract and accordingly the Group concludes that this option does not represent another performance obligation in the arrangement. Accordingly, the entire license fee is being recognised in profit or loss as it arises, without any deferral. The uniqueness of the contract increases the element of judgement that is applied in this respect. This conclusion is based on the fact that the pricing of the option did not alter the pricing of the remaining components of the contract, the pricing of the option does not give rise to a discount for the license being provided and the option was granted as security for continuity of service.

Given that the contractual form of the exercise price of the option is a function of the cumulative license fees paid by the customer prior to that option being exercised, the Group has projected the applicable exercise price during the option period based on its projections of the annual license fees expected to be applicable to the customer on the basis of the expected volume of transactions. Based on the pricing of the exercise price, in conjunction with the additional costs (including employee costs for handling and managing the software) that would need to be incurred by the customer following the exercise of the option, the Group believes that the likelihood of the option being exercised is very low.

For managed services, refer to the accounting policy in 4.10.2.

4.10.2 Services

The Group provides (a) transaction processing services; (b) maintenance services, such as ongoing support for BankWORKS®, software enhancements and software upgrades; and (c) other services, including change requests.

The agreements for the maintenance services and the other services are either entered into (i) at the same time with the sale of the license; or (ii) after the sale of the license, as part of a comprehensive package. Where the agreements are entered into at the same time with the sale of the license, the Group assesses whether such agreements need to be combined with the license contract for the purpose of IFRS 15.

4 Material Accounting Policies (Continued)

4.10 Revenue (Continued)

4.10.2 Services (Continued)

The Group accounts for individual products and services separately if they are distinct, that is, if a product or service is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract) and if a customer can benefit from it either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct).

Transaction processing is determined to be a performance obligation which is distinct from the corresponding implementation or customisation activities that are performed in advance of such transaction processing (see Note 4.10.2.1). Transaction processing services are regarded as a series of distinct services that are substantially the same and that have the same pattern of transfer to the customer; the performance obligation is the fact that the Group needs to stand ready to perform, which obligation is satisfied over time. The consideration in respect of such services contains variable elements that are dependent on the volume of transactions processed, with a minimum monthly fee. Management allocates the variable fees charged for each transaction to the time period in which the Group has the contractual right to bill the customer since such payments relate specifically to the Group's efforts to satisfy the performance obligation and allocating that amount entirely to that specific time period is consistent with the allocation objective in IFRS 15. The Group accordingly recognises the monthly billings to customers as revenue in the month of billing, that is, when the performance obligation is satisfied by transferring control to the client.

Maintenance services are generally billed quarterly or annually in advance. Regardless of whether the corresponding agreements for such services are entered into at the same time with the sale of the license, these services are determined to be distinct from the corresponding licenses under IFRS 15.

Revenues allocated to the maintenance services are recognised over time in accordance with IFRS 15, as the customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs. The transaction price is recognised as a contract liability at the time of receipt.

Revenue from other additional services requested by the client outside the scope of the original contract, such as changes that are requested after the sale of the license and/or the period of customisation, are generally treated as a separate contract if the scope of the contract increases because of the addition of services that are distinct and the price charged is calculated at a man-rate per hour that reflects the standalone selling price of such additional services. This performance obligation is generally recognised over the period of such service. The Group charges for other services on a fixed cost basis. As the current systems in place assess progress of completion based on the lifecycle of the delivery it is concluded that the output method is the more appropriate method for measuring revenue that is recognised over time by observing the value to the customer transferred to date relative to the remaining services promised.

Revenue from services provided in comprehensive packages continues to be recognised over time under IFRS 15 unless separate performance obligations are identified.

The Group recognises revenue on the output method as the current systems in place assess the progress of completion based on the lifecycle of the delivery. This is deemed to be the more appropriate method for measuring revenue over time by observing the value to the customer transferred to date relative to the remaining deliverables promised.

4 Material Accounting Policies (Continued)

4.10 Revenue (Continued)

4.10.2 Services (Continued)

4.10.2.1 Implementation and Customisation Fees Followed by Transaction Processing Services

There should not be a significant financing component in relation to such services as the period between the recognition of revenue and the payment is always less than one year.

Where the Group receives a fee for customisation and implementation activities without the sale of a license, which are followed by transaction processing services, it assesses whether the fee relates to the transfer of a promised good or service.

Where the fee relates to an activity that the Group is required to undertake at or near contract inception to fulfil the contract and that activity does not result in the transfer of a promised good or service to the customer, the fee is treated as an advance payment for future goods or services and, therefore, is recognised as revenue when those future goods or services are provided.

Where the fee relates to a distinct performance obligation and that activity results in the transfer of a promised good or service to the customer, the related revenue is recognised over the customisation period. Determining whether the activity represents a distinct performance obligation and whether it results in a transfer of a promised good or service to the customer requires judgement.

This is based on the Group's conclusion that by the time the customised software is live, the customer has already obtained and paid for the right to have that software solution hosted elsewhere, without having to pay an additional amount for such customisation and implementation activities, subject to a migration fee as a separate service that is distinct and a penalty for the cancellation of future transaction processing services (which reduces with the number of remaining months) and without the requirement for a different service provider to pay for an additional license in this regard.

4.10.2.2 Environment Creation, Customisation and Migration Services

For certain contracts, the Group provides services encompassing the creation of a base system environment and granting access to the client, coupled with subsequent customisation, integration, and merchant migration services.

The Group evaluates the promised goods and services to determine which deliverables represent distinct performance obligations.

Environment Creation: The set up of the base system environment and the provision of access to the client is identified as a distinct performance obligation. It is capable of being distinct and is separately identifiable because it can be benefitted from independently and is not significantly modified or customised by the output of the other deliverables. Moreover, it is often delivered shortly after contract execution.

Customisation, Interfacing, and Migration Services: The Group bundles the remaining deliverables into a single, separate performance obligation. This is because the output of each deliverable acts as a significant input that modifies or customises the other deliverables, making them highly interdependent.

4 Material Accounting Policies (Continued)

4.10 Revenue (Continued)

4.10.2 Services (Continued)

4.10.2.2 Environment Creation, Customisation and Migration Services (Continued)

Contracts for these services typically feature a fixed transaction price. The Group allocates this transaction price based on the relative stand-alone selling prices of the two identified performance obligations:

Expected Cost-Plus Margin Approach: To determine the stand-alone selling price of the bundled Customisation, Interfacing, and Migration performance obligation, the Group utilises the expected cost-plus margin approach. This is calculated by referencing estimates of the man-days required to deliver the services, multiplied by an appropriate man-day rate.

Residual Approach: The Group estimates the stand-alone selling price of the Environment Creation performance obligation using the residual approach (total transaction price less the observable stand-alone selling price of the customisation services). This method is applied because the environment creation is not generally sold on a stand-alone basis and is subject to a broad range of prices based on specific project scope and various underlying factors.

The Group recognises revenue for both performance obligations over time. The Group's performance creates an asset with no alternative use, as the deliverables are highly tailored to the specific customer's requirements and cannot be easily redirected to another client. Furthermore, the Group possesses an enforceable right to payment for the performance completed to date. Revenue is accordingly recognised over time based on the percentage of completion of each respective performance obligation.

4.10.3 Acquiring Business

The acquiring business includes acquiring services provided to merchants where fees are charged based on acquired transaction volumes; as well as the sale and rental of payment terminals and associated maintenance services, including consultation, installation and repairs.

4.10.3.1 Sale of Terminals and Terminal Equipment

The Group enters into a sales contract or sales order with the customer, whereby the consideration for the terminals or terminal equipment being sold is determined. Simultaneously, the goods are shipped, the invoice is forwarded to the customer, and the consideration is due immediately. The Group has determined that revenue from this performance obligation should therefore be recognised immediately provided that the criteria for the recognition of revenue, where the performance obligation is satisfied by transferring control, is satisfied.

4 Material Accounting Policies (Continued)

4.10 Revenue (Continued)

4.10.3 Acquiring Business (Continued)

4.10.3.2 Maintenance of Terminals and Terminal Equipment

The Group enters into a maintenance contract with the customer, specifying the monthly maintenance fee and the relevant period. The monthly maintenance fee is due and payable on a monthly basis. The Group has determined that revenue from this performance obligation should therefore be recognised on a monthly basis in line with the applicable maintenance period reflecting the performance obligation being satisfied through the transfer of control.

The agreements for the maintenance services are generally entered into at the same time with the rental agreement, which defines all conditions and fees for the different services being provided. Where the agreements are entered into at the same time with the rental agreement, the Group assesses whether such agreements need to be combined with the rental contract for the purpose of IFRS 15.

4.10.3.3 Fees per Processed Transaction

The Group also charges transaction fees depending on the type of terminal. The Group enters into a contract with the customer, specifying the transaction fee for the applicable period. The sum of the transaction fees due per month are aggregated and billed to the client. These are payable on a monthly basis. The Group has determined that revenue from this performance obligation should therefore be recognised on a monthly basis in line with the applicable maintenance period reflecting the performance obligation being satisfied through the transfer of control.

4.10.3.4 Fees based on Acquired Transaction Volume

The Group also earns revenue based on transaction volume processed by the customer terminals, both from credit cards and Giro cards. In the case of the latter, a commission is earned based on a percentage of the total transaction volume processed by Giro cards. This commission is clearly defined in the contract the Group has with its customers.

The Group has determined that revenue from this performance obligation should therefore be recognised on a monthly basis in line with the applicable period reflecting the performance obligation being satisfied through the transfer of control. In the case of revenue generated from transactions of credit cards, the Group has a contract directly with the acquirer, rather than the customer. The Group therefore receives a monthly commission from the profit generated by the acquirer from the Group's customers, based on transaction volume generated by credit cards.

The Group has determined that revenue from this performance obligation should therefore be recognised on a monthly basis in line with the applicable period provided that the criteria for the recognition of a contract are satisfied, including having an enforceable right to payment.

4 Material Accounting Policies (Continued)

4.10 Revenue (Continued)

4.10.4 Contract Modifications

A contract modification, such as changes that are requested after the sale of the license and/or the period of customisation, is accounted for as a separate contract if (a) the scope of the contract increases because of the addition of promised goods or services that are distinct; and (b) the price of the contract increases by an amount of consideration that reflects the entity's standalone selling prices of the additional promised goods or services and any appropriate adjustments to that price to reflect the circumstances of the particular contract.

For a contract modification that is not accounted for as a separate contract, the entity accounts for the promised goods or services not yet transferred at the date of the contract modification based on the specific facts and circumstances. A contract modification is accounted for as if it were a termination of the existing contract and the creation of a new contract if the remaining goods or services are distinct from the goods or services transferred on or before the date of the contract modification. A contract modification is accounted for as if it were a part of the existing contract if the remaining goods or services are not distinct and, therefore, form part of a single performance obligation that is partially satisfied at the date of the contract modification. If the remaining goods or services are partly distinct and partly not distinct, the effects of the modification on the unsatisfied (including partially unsatisfied) performance obligations in the modified contract are accounted for in a manner that is consistent with the objectives of IFRS 15.

4.10.5 Allocation of Variable Consideration

The Group and the Company allocate a variable amount (and subsequent changes to that amount) entirely to a performance obligation or to a distinct good or service that forms part of a single performance obligation if both of the following criteria are met: (a) the terms of a variable payment relate specifically to the entity's efforts to satisfy the performance obligation or transfer the distinct good or service (or to a specific outcome from satisfying the performance obligation or transferring the distinct good or service); and (b) allocating the variable amount of consideration entirely to the performance obligation or the distinct good or service is consistent with the allocation objective in IFRS 15 when considering all of the performance obligations and payment terms in the contract.

4 Material Accounting Policies (Continued)

4.11 Income Tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

4.12 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses relating to transactions with any of the Group's other components.

Operating results of all operating segments are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The accounting policy information about operating segments is the same as that described as part of the material accounting policy information of the Group disclosed in Note 4.

4 Material Accounting Policies (Continued)

4.13 Government Grants

Government grants are recognised as income over the periods necessary to match them to the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs, are recognised in profit or loss in the period in which they become receivable.

If a grant is compensation for expenses or losses already incurred, or for which there are no future related costs, it is recognised in profit or loss in the period in which it becomes receivable. A grant relating to income is deducted by the Group from the related expense.

Government grants are not recognised until there is reasonable assurance that the respective entity will comply with the conditions attaching to them and the grants will be received. A forgivable loan from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan.

5 Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. When measuring the fair value of an asset or liability, the Group uses observable market data whenever sufficient data is available.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

5.1 Measurement of Fair Values

5.1.1 Loans Receivable

The fair value of loans receivable is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is categorised as Level 2 of the fair value hierarchy.

5 Determination of Fair Values (Continued)

5.1 Measurement of Fair Values (Continued)

5.1.2 Share-Based Payment Transactions

The fair value of employee share options or awards is measured using inputs that include the share price at measurement date, the exercise price of the instrument, if any, expected volatility (based on an evaluation of the Company's historic volatility) where appropriate, the life of the instrument, expected dividends to the extent applicable, and the risk-free interest rate. Service and non-market performance conditions attached to the transactions are not considered in determining fair value.

For the cash-settled share-based payment arrangements, further disclosures are provided in Note 28.2.

Expected dividends were not included in the fair value measurement since the individual is entitled to the rights of a shareholder, including the right to receive dividends from the date of grant of shares.

5.1.3 Finance Lease Receivables

The fair value of the finance lease receivables is classified as Level 2 and was calculated using the discounted cash flow method using an appropriate discount rate.

5.2 Fair Values Versus Carrying Amounts

The reported carrying amounts at the respective reporting dates of the Group's and Company's current financial instruments are a reasonable approximation of their fair values in view of their short-term maturities.

The Group's and Company's carrying amounts of other financial assets and liabilities, other than the Company's investment in subsidiaries, in the statement of financial position are a reasonable approximation of their respective fair values.

6 Financial Risk Management

6.1 Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements. The Company's exposure to such risks is substantially similar to that of the Group unless otherwise stated.

6.2 Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, as well as to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how Management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

6.3 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables from customers, finance lease receivables, loans receivable, contract assets, and cash held with financial institutions, including restricted cash.

Specifically, the Group's exposure to credit risk arising from its trade receivables, is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk.

The majority of the Group's customers have been transacting with the Group for several years, and losses have occurred infrequently. In monitoring customer credit risk, customers are classified according to their credit characteristics, geographic location and ageing profile. Trade receivables relate to the Group's customers to whom services are rendered.

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.1 Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting dates was as follows:

	Carrying amount			
	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Non-current assets				
Loans receivable from related parties	-	-	2,055,567	2,062,643
Finance lease receivables	203,526	188,844	-	-
	203,526	188,844	2,055,567	2,062,643
Current assets				
Trade and other receivables	10,009,362	5,490,532	21,340,167	18,708,642
Finance lease receivables	113,501	103,406	-	-
Loans receivable from related parties	86,032	21,754	844,277	1,083,740
Accrued income and contract assets	4,291,577	1,194,908	310,529	193,343
Cash at bank, including restricted cash	5,688,895	6,295,684	68,127	90,966
	20,189,367	13,106,284	22,563,100	20,076,691

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.1 Exposure to Credit Risk (Continued)

The maximum exposure to credit risk for cash at bank (including restricted cash), trade and other receivables, finance lease receivables, loans receivable, and accrued income, at the respective reporting dates by geographic region was as follows:

	Carrying amount			
	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Non-current assets				
Europe	203,526	188,844	2,000,000	2,000,000
South America	-	-	55,567	62,643
	203,526	188,844	2,055,567	2,062,643
Current assets				
Europe	11,995,610	7,796,114	9,862,289	6,376,713
Middle East	310,867	163,022	119,025	123,181
South America	306,601	276,633	259	259
North America	6,613,720	3,316,836	12,478,514	13,528,876
Asia	962,569	1,553,679	103,013	47,662
	20,189,367	13,106,284	22,563,100	20,076,691

The nature of the Group and the Company's activities is to service financial institutions (including banks) and accordingly a significant proportion of receivables fall within this industry. In 2025, 40% (2024: 42%) of the Group's revenue is attributable to sales transactions with two major customers (2024: two major customers) in the banking and payments industry as per Note 7.4. The below table shows the receivable balances together with accrued income due by these major customers as at 31 December 2025 and 2024 respectively.

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Customers situated in Europe	843,239	800,478	-	-
Customers situated in North America	5,362,950	1,287,770	-	-
	6,206,189	2,088,248	-	-

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.2 Impairment Losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. This allowance represents specific provisions against individual exposures and a collective provision where necessary, unless this is considered to be immaterial.

The tables below detail, by credit risk rating grades, the gross carrying amount of financial assets.

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Bank balances, including restricted cash				
External rating grades				
AA-	1,624,617	2,519,319	-	-
A+	478,423	572,862	15,511	12,756
A-	3,499,932	3,117,998	-	-
BBB	19,909	-	19,909	-
BBB-	-	17,314	-	17,314
Unrated	66,014	68,191	32,707	60,896
Gross/net carrying amount at 31 December	5,688,895	6,295,684	68,127	90,966

The Group's cash (including restricted cash) is placed with reputable financial institutions; such that Management does not expect any institution to fail to meet repayments of amounts held in the name of the Group.

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Finance lease receivables				
Internal rating grades				
Performing*	317,027	292,250	-	-
Gross/net carrying amount at 31 December	317,027	292,250	-	-

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Loans receivable				
Internal rating grades				
Performing*	86,032	21,754	2,899,844	3,146,383
Gross/net carrying amount at 31 December	86,032	21,754	2,899,844	3,146,383

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.2 Impairment Losses (Continued)

*The contracting party has a low risk of default and does not have any past due amounts (12m ECL). In respect of finance lease receivables and loans receivables, expected credit losses for the Group and Company amount to €nil as at 31 December 2025 (2024: €nil).

31 December 2025	THE GROUP		
	Lifetime ECL not-credit impaired		Lifetime ECL credit impaired
Trade debtors, contract assets and finance lease receivables	Individual Impairments €	Collective Impairments €	Individual Impairments €
Internal rating grades			
Not in default - simplified model applied	7,579,839	7,113,121	-
In default	-	497,399	302,765
Gross carrying amount at 31 December 2025	7,579,839	7,610,520	302,765
Loss allowance at 31 December 2025	-	(572,393)	(302,765)
Net carrying amount at 31 December 2025	7,579,839	7,038,127	-

The following table illustrates the Group's gross carrying amounts for its trade debtors and contract assets as at 31 December 2025, split by ageing buckets, as well as the lifetime ECL thereon.

	THE GROUP												
	Trade debtors and contract assets												
	Not past due	<30	31-60	61-90	91-120	121-150	151-180	181-210	211-240	241-270	271-300	>300	Total
	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
31 December 2025													
Expected credit loss rate	0.4%	1.0%	3.9%	3.5%	7.3%	22.5%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%	7.5%
Estimated total gross carrying amount at default	6,129	660	73	99	54	83	-	-	16	-	-	497	7,611
Lifetime ECL	23	7	3	3	4	19	-	-	16	-	-	497	572

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.2 Impairment Losses (Continued)

31 December 2025	THE COMPANY		
	Lifetime ECL not-credit impaired		Lifetime ECL credit impaired
Trade debtors and contract assets	Individual Impairments	Collective Impairments	Individual Impairments
	€	€	€
Internal rating grades			
Not in default - simplified model applied	20,921,784	786,273	-
In default	-	476,596	-
Gross carrying amount at 31 December 2025	20,921,784	1,262,869	-
Loss allowance at 31 December 2025	-	(533,957)	-
Net carrying amount at 31 December 2025	20,921,784	728,912	-

The following table illustrates the Company's gross carrying amounts for its trade debtors and contract assets as at 31 December 2025, split by ageing buckets, as well as the lifetime ECL thereon.

	THE COMPANY												
	Trade debtors and contract assets												
	Not past due	<30	31-60	61-90	91-120	121- 150	151- 180	181- 210	211- 240	241- 270	271-300	>300	Total
€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
31 December 2025													
Expected credit loss rate	2.2%	3.9%	13.9%	21.3%	35.3%	36.9%	36.9%	100.0%	100.0%	100.0%	100.0%	100.0%	42.3%
Estimated total gross carrying amount at default	605	80	17	11	9	48	-	-	16	-	-	477	1,263
Lifetime ECL	13	3	2	2	3	18	-	-	16	-	-	477	534

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.2 Impairment Losses (Continued)

31 December 2024	THE GROUP		
	Lifetime ECL not-credit impaired		Lifetime ECL credit impaired
Trade debtors, contract assets and finance lease receivables	Individual Impairments €	Collective Impairments €	Individual Impairments €
Internal rating grades			
Not in default - simplified model applied	3,438,198	3,890,666	-
In default	-	545,137	-
Gross carrying amount at 31 December 2024	3,438,198	4,435,803	-
Loss allowance at 31 December 2024	-	(896,311)	-
Net carrying amount at 31 December 2024	3,438,198	3,539,492	-

The following table illustrates the Group's gross carrying amounts for its trade debtors and contract assets as at 31 December 2024, split by ageing buckets, as well as the lifetime ECL thereon.

	THE GROUP												
	Trade debtors and contract assets												
	Not past due	<30	31-60	61-90	91-120	121-150	151-180	181-210	211-240	241-270	271-300	>300	Total
€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
31 December 2024													
Expected credit loss rate	1.6%	1.5%	2.3%	3.4%	13.9%	32.0%	35.3%	37.7%	66.8%	0%	85.4%	100.0%	20.2%
Estimated total gross carrying amount at default	2,654	265	299	115	117	33	25	5	360	-	18	545	4,436
Lifetime ECL	42	4	7	4	16	11	9	2	241	-	15	545	896

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.2 Impairment Losses (Continued)

31 December 2024	THE COMPANY		
	Lifetime ECL not-credit impaired		Lifetime ECL credit impaired
	Individual Impairments €	Collective Impairments €	Individual Impairments €
Trade debtors and contract assets			
Internal rating grades			
Not in default - simplified model applied	17,969,929	1,012,146	-
In default	-	529,243	-
Gross carrying amount at 31 December 2024	17,969,929	1,541,389	-
Loss allowance at 31 December 2024	-	(609,333)	-
Net carrying amount at 31 December 2024	17,969,929	932,056	-

The following table illustrates the Company's gross carrying amounts for its trade debtors and contract assets as at 31 December 2024, split by ageing buckets, as well as the lifetime ECL thereon.

	THE COMPANY												
	Trade debtors and contract assets												
	Not past due	<30	31-60	61-90	91-120	121-150	151-180	181-210	211-240	241-270	271-300	>300	Total
€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000	€000
31 December 2024													
Expected credit loss rate	3.1%	6.5%	29.9%	46.4%	46.7%	49.4%	50.5%	98.4%	98.4%	98.4%	98.4%	100.0%	39.5%
Estimated total gross carrying amount at default	924	18	-	-	12	16	9	-	29	-	4	529	1,541
Lifetime ECL	29	1	-	-	6	8	4	-	29	-	3	529	609

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.2 Impairment Losses (Continued)

Write-offs during the reporting period amounted to €nil (2024: €23) and €nil (2024: €nil) for the Group and the Company, respectively. No reversals of write-offs happened during the year ended 31 December 2025 (2024: €nil).

31 December 2025	THE GROUP		
	Lifetime ECL not-credit impaired		Lifetime ECL credit impaired
Trade debtors, contract assets and finance lease receivables	Individual Impairments	Collective Impairments	Individual Impairments
	€	€	€
Opening balance at 1 January 2025	-	896,311	-
Movement during the year	-	(323,918)	301,064
Foreign exchange movement	-	-	1,701
Closing balance 31 December 2025	-	572,393	302,765

	THE GROUP		
	Lifetime ECL not-credit impaired		
	Trade debtors	Contract assets	Total
	€	€	€
Balance as at 1 January 2024	685,235	18,815	704,050
Increase in loss allowance arising from new financial assets recognised in 2024	373,602	9,216	382,818
Increase in loss allowance on financial assets in 2024	51,004	-	51,004
Decrease in loss allowance from derecognition of financial assets in 2024	(222,746)	(18,815)	(241,561)
Balance as at 1 January 2025	887,095	9,216	896,311
Increase in loss allowance arising from new financial assets recognised in 2025	83,666	14,072	97,738
Increase in loss allowance on financial assets in 2025	47,253	-	47,253
Decrease in loss allowance from derecognition of financial assets in 2025	(459,693)	(9,216)	(468,909)
Balance as at 31 December 2025	558,321	14,072	572,393

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.2 Impairment Losses (Continued)

31 December 2025	THE COMPANY		
	Lifetime ECL not-credit impaired		Lifetime ECL credit impaired
Trade debtors and contract assets	Individual Impairments	Collective Impairments	Individual Impairments
	€	€	€
Opening balance at 1 January 2025	-	609,333	-
Movement during the year	-	(75,376)	-
Closing balance 31 December 2025	-	533,957	-

	THE COMPANY		
	Lifetime ECL not-credit impaired		
	Trade debtors	Contract assets	Total
	€	€	€
Balance as at 1 January 2024	622,266	16,805	639,071
Increase in loss allowance arising from new financial assets recognised in 2024	89,584	6,256	95,840
Increase in loss allowance on financial assets in 2024	51,004	-	51,004
Decrease in loss allowance from derecognition of financial assets in 2024	(159,777)	(16,805)	(176,582)
Balance as at 1 January 2025	603,077	6,256	609,333
Increase in loss allowance arising from new financial assets recognised in 2025	73,284	6,827	80,111
Increase in loss allowance on financial assets in 2025	35,860	-	35,860
Decrease in loss allowance from derecognition of financial assets in 2025	(185,091)	(6,256)	(191,347)
Balance as at 31 December 2025	527,130	6,827	533,957

6 Financial Risk Management (Continued)

6.3 Credit Risk (Continued)

6.3.2 Impairment Losses (Continued)

31 December 2024	THE GROUP		
	Lifetime ECL not-credit impaired		Lifetime ECL credit impaired
	Individual Impairments €	Collective Impairments €	Individual Impairments €
Trade debtors, contract assets and finance lease receivables			
Opening balance at 1 January 2024	-	704,050	-
Movement during the year	-	192,261	-
Closing balance 31 December 2024	-	896,311	-

31 December 2024	THE COMPANY		
	Lifetime ECL not-credit impaired		Lifetime ECL credit impaired
	Individual Impairments €	Collective Impairments €	Individual Impairments €
Trade debtors and contract assets			
Opening balance at 1 January 2024	-	639,071	-
Movement during the year	-	(29,738)	-
Closing balance 31 December 2024	-	609,333	-

6 Financial Risk Management (Continued)

6.4 Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations, which are associated with its financial liabilities that are settled by delivering cash or another financial asset, as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group monitors its cash flow requirements on a regular basis and ensures that it has sufficient cash on demand to meet expected operational expenses; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount	Contractual Cash flows	12 months or less	1 - 2 years	2 - 5 years	More than 5 years
31 December 2025	€	€	€	€	€	€
The Group						
Secured bank overdraft	8,919,014	8,919,014	8,919,014	-	-	-
Accrued expenses	2,767,163	2,767,163	2,767,163	-	-	-
Trade and other payables	6,361,179	6,361,179	6,361,179	-	-	-
Employment benefits	3,418,679	9,070,791	39,243	-	3,262,471	5,769,077
Lease liabilities	1,991,205	2,201,688	571,184	517,744	677,618	435,142
	23,457,240	29,319,835	18,657,783	517,744	3,940,089	6,204,219

	Carrying amount	Contractual Cash flows	12 months or less	1 - 2 years	2 - 5 years	More than 5 years
31 December 2025	€	€	€	€	€	€
The Company						
Secured bank overdraft	8,919,014	8,919,014	8,919,014	-	-	-
Accrued expenses	1,441,024	1,441,024	1,441,024	-	-	-
Trade and other payables	7,669,561	7,669,561	7,669,561	-	-	-
Employment benefits	2,918,660	3,315,029	-	-	2,814,237	500,792
Lease liabilities	398,715	478,737	32,903	32,903	105,289	307,642
	21,346,974	21,823,365	18,062,502	32,903	2,919,526	808,434

6 Financial Risk Management (Continued)

6.4 Liquidity Risk (Continued)

	Carrying amount	Contractual Cash flows	12 months or less	1 - 2 years	2 - 5 years	More than 5 years
31 December 2024	€	€	€	€	€	€
The Group						
Secured bank overdraft and loans	5,357,608	5,358,744	5,358,744	-	-	-
Accrued expenses	2,138,985	2,138,985	2,138,985	-	-	-
Trade and other payables	5,191,452	5,191,452	5,191,452	-	-	-
Employment benefits	3,709,064	10,362,037	159,884	-	270,090	9,932,063
Lease liabilities	2,550,092	2,798,177	585,455	568,566	1,082,821	561,335
	18,947,201	25,849,395	13,434,520	568,566	1,352,911	10,493,398

	Carrying amount	Contractual Cash flows	12 months or less	1 - 2 years	2 - 5 years	More than 5 years
31 December 2024	€	€	€	€	€	€
The Company						
Secured bank overdraft and loans	5,357,608	5,358,744	5,358,744	-	-	-
Accrued expenses	1,006,809	1,006,809	1,006,809	-	-	-
Trade and other payables	5,822,044	5,822,044	5,822,044	-	-	-
Employment benefits	3,077,064	3,432,309	-	-	270,090	3,162,219
Lease liabilities	420,057	511,639	32,903	32,903	101,998	343,835
	15,683,582	16,131,545	12,220,500	32,903	372,088	3,506,054

The below table provides further details pertaining to the Group's and the Company's lease liabilities' maturity analysis:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Year 1	571,184	585,455	32,903	32,903
Year 2	517,744	568,566	32,903	32,903
Year 3	401,871	514,918	32,903	32,903
Year 4	149,554	414,877	36,193	32,903
Year 5	126,193	153,027	36,193	36,193
Onwards	435,142	561,334	307,642	343,834
	2,201,688	2,798,177	478,737	511,639
Less unearned interest	(210,483)	(248,085)	(80,022)	(91,582)
	1,991,205	2,550,092	398,715	420,057
Analysed as				
Non-current	1,488,876	2,032,374	376,752	398,714
Current	502,329	517,718	21,963	21,343

Further disclosures on liquidity risk are provided in Note 2.1.2.

6 Financial Risk Management (Continued)

6.5 Market Risk

Market risk is the risk that changes in market prices, namely foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

6.5.1 Currency Risk

The Group is exposed to currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Company, the Euro. The currencies in which these transactions are primarily denominated are USD, PHP, NZD and GBP.

The Group relies on natural hedges between inflows and outflows in currencies other than the Euro, and does not otherwise hedge against exchange gains or losses which may arise on the realisation of amounts receivable and settlement of amounts payable in foreign currencies.

The Group's exposure to foreign currency risk as at 31 December, based on notional amounts, was as follows.

	2025							
	NZD	CHF	PHP	USD	BRL	GBP	CAD	ISK
The Group								
Trade receivables	1,259,269	-	3,791,355	7,721,193	-	194,210	-	-
Accrued income	14,963	-	1,304,464	4,643,004	-	132,302	-	-
Cash at bank	657	14,220	4,360,966	1,153,205	26,127	16,328	432	14,907
Trade payables	-	-	(2,542,808)	(93,468)	(29,420)	(11,275)	-	-
Deferred income	(25,722)	-	-	(2,627,525)	-	(279,598)	-	-
Gross statement of financial position exposure	1,249,167	14,220	6,913,977	10,796,409	(3,293)	51,967	432	14,907

	2025							
	NZD	CHF	PHP	USD	BRL	GBP	CAD	ISK
The Company								
Trade receivables	-	-	213,991	5,060,236	-	194,210	-	-
Loans receivable from related parties	-	-	-	65,000	-	-	-	-
Accrued income	-	-	-	85,328	-	132,302	-	-
Cash at bank	-	-	-	4,205	-	8,421	-	-
Trade payables	-	-	-	(127,831)	-	(11,275)	-	-
Deferred income	-	-	-	(40,964)	-	(279,598)	-	-
Gross statement of financial position exposure	-	-	213,991	5,045,974	-	44,060	-	-

6 Financial Risk Management (Continued)

6.5 Market Risk (Continued)

6.5.1 Currency Risk (Continued)

	2024							
	NZD	CHF	PHP	USD	BRL	GBP	CAD	ISK
The Group								
Trade receivables	1,747,835	-	3,549,055	1,445,145	-	511,876	-	-
Accrued income	474,480	-	1,304,464	722,826	-	88,790	-	-
Cash at bank	(25)	216	10,626,700	2,030,958	31,104	22,709	432	14,207
Trade payables	(57,375)	-	(2,402,127)	(121,449)	(15,689)	2,884	-	-
Deferred income	(18,042)	-	-	(122,638)	-	(271,455)	-	-
Gross statement of financial position exposure	2,146,873	216	13,078,092	3,954,842	15,415	354,804	432	14,207

	2024							
	NZD	CHF	PHP	USD	BRL	GBP	CAD	ISK
The Company								
Trade receivables	-	-	-	6,019,514	-	511,876	-	-
Loans receivable from related parties	-	-	-	65,000	-	-	-	-
Accrued income	-	-	-	83,370	-	88,790	-	-
Cash at bank	-	-	-	9,506	-	22,535	-	-
Trade payables	-	-	-	(107,662)	-	2,884	-	-
Deferred income	-	-	-	(29,184)	-	(271,455)	-	-
Gross statement of financial position exposure	-	-	-	6,040,544	-	354,630	-	-

The following significant exchange rates applied during the year:

		Average rate		Reporting date spot rate	
		2025	2024	2025	2024
NZD	1	0.5149	0.5593	0.4907	0.5396
CHF	1	1.0672	1.0497	1.0737	1.0625
USD	1	0.8850	0.9239	0.8511	0.9626
BRL	1	0.1585	0.1716	0.1554	0.1556
PHP	1	0.0154	0.0161	0.0144	0.0166
GBP	1	1.1671	1.1812	1.1460	1.2060
CAD	1	0.6334	0.6747	0.6216	0.6690
ISK	1	0.0069	0.0067	0.0068	0.0069

6 Financial Risk Management (Continued)

6.5 Market Risk (Continued)

6.5.1 Currency Risk (Continued)

Sensitivity Analysis

A 10 percent strengthening of the Euro against the following currencies as at 31 December would have (decreased)/increased equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2024.

	THE GROUP		THE COMPANY	
	Equity €	Profit or loss €	Equity €	Profit or loss €
31 December 2025				
NZD	(61,294)	(61,294)	-	-
CHF	(1,527)	(1,527)	-	-
USD	(918,843)	(918,843)	(429,445)	(429,445)
BRL	51	51	-	-
PHP	(9,982)	(9,982)	(309)	(309)
GBP	(5,955)	(5,955)	(5,049)	(5,049)
CAD	(27)	(27)	-	-
ISK	(10)	(10)	-	-
	THE GROUP		THE COMPANY	
	Equity €	Profit or loss €	Equity €	Profit or loss €
31 December 2024				
NZD	(115,847)	(115,847)	-	-
CHF	(23)	(23)	-	-
USD	(380,676)	(380,676)	(581,436)	(581,436)
BRL	(240)	(240)	-	-
PHP	(21,688)	(21,688)	-	-
GBP	(42,790)	(42,790)	(42,769)	(42,769)
CAD	(29)	(29)	-	-
ISK	(10)	(10)	-	-

A 10 percent weakening of the Euro against the above currencies as at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

6 Financial Risk Management (Continued)

6.5 Market Risk (Continued)

6.5.2 Interest Rate Risk

The Group's borrowings are subject to an interest rate that varies according to revisions made to the Bank's Lending Base Rate.

Interest on certain loans receivable, bank borrowings and cash at bank (including restricted cash) are also tested for interest rate risk.

6.5.2.1 Interest Rate Profile

At the reporting date the interest rate profile of the Group's and the Company's interest-bearing financial instruments was:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Fixed rate instruments				
Financial assets	1,986	1,986	-	-
Variable rate instruments				
Financial assets	5,688,895	6,295,684	2,068,127	2,090,966
Financial liabilities	(8,919,014)	(5,357,608)	(8,919,014)	(5,357,608)
	(3,230,119)	938,076	(6,850,887)	(3,266,642)

6.5.2.2 Interest Rate Risk

Up till mid-2024, the Group was exposed to interest rate risk on its financial instruments arising from movements in the Bank's 3-month Euribor rate. The Group had evaluated the extent of the discontinuation of the IBOR rates on existing bank borrowings. In view that there are no plans by the European Central Bank to discontinue or replace Euribor, the Group did not expect any material impact brought about by the Interest rate benchmark reform on its financial instruments and interest rate risk management strategy.

The Group is currently subject to interest at the rate of 2.7% over the Bank's base rate of 2.25% per annum.

6 Financial Risk Management (Continued)

6.5 Market Risk (Continued)

6.5.2 Interest Rate Risk (Continued)

6.5.2.3 Cash Flow Sensitivity Analysis for Variable Rate Instruments

A change of 100 basis points in interest rates at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

		THE GROUP			
		Profit or loss		Equity	
		100 bp increase €	100 bp decrease €	100 bp increase €	100 bp decrease €
31 December 2025					
Variable rate instruments		(32,301)	32,301	(32,301)	32,301
31 December 2024					
Variable rate instruments		9,381	(9,381)	9,381	(9,381)
		THE COMPANY			
		Profit or loss		Equity	
		100 bp increase €	100 bp decrease €	100 bp increase €	100 bp decrease €
31 December 2025					
Variable rate instruments		(68,509)	68,509	(68,509)	68,509
31 December 2024					
Variable rate instruments		(32,666)	32,666	(32,666)	32,666

6 Financial Risk Management (Continued)

6.6 Capital Management

The Group's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The capital structure consists of debt and items presented within equity in the statement of financial position. The Board of Directors monitors the capital on the basis of the following ratios:

- Equity to asset ratio (%) – total equity divided by total assets
- Debt/equity ratio multiple – total liabilities divided by total equity (as shown in the statement of financial position, including non-controlling interests)

The above ratios of the Group for the current and comparative financial periods are as follows:

	2025	2024
	€	€
Equity to asset ratio (%)	40.78%	48.25%
Debt/equity ratio multiple	1.45	1.07

The Board of Directors also monitors the level of dividends to ordinary and preference shareholders. The Board of Directors manage the Company's capital structure and make adjustments to it, in light of changes in economic conditions.

The capital structure is reviewed on an ongoing basis. Based on recommendations of the Directors, the Company balances its overall capital structure through the payment of dividends, new share issues, as well as the issue of new debt or redemption of existing debt. There were no changes in the Group's approach to capital management during the year.

The Group is not subject to externally imposed capital requirements.

7 Operating Segments

The Group has three reportable segments, as described below, which represent the Group's business units. The business units offer different services and are managed separately because they require different operating and marketing strategies. For each of the business units, the Group's Board of Directors reviews internal management reports on a bi-annual basis. The following summary describes the operations in each of the Group's reportable segments:

- *Software (License) solutions* - Licensing of the Group's BankWORKS® software to banks and service providers, including maintenance and enhanced services thereto.
- *Processing solutions* - Processing of payment transactions utilising the Group's BankWORKS® software.
- *Issuing and Acquiring solutions (previously Merchant solutions)* - includes issuing and acquiring payment solutions directly to merchants, including terminal and PSP gateway services.

Information regarding the results of each reportable segment is included below. The internal management reports that are reviewed by the Group's Board of Directors include the results of each subsidiary, with additional disclosures showing disaggregated revenues attributable to each reportable segment. Inter-segment pricing is determined on an arm's length basis. The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4.

7 Operating Segments (Continued)

7.1 Information About Reportable Segments

	Software (Licensing) solutions	Processing solutions	Issuing and Acquiring solutions (previously Merchant solutions)	Total reportable segments
	€	€	€	€
Year ended 31 December 2025				
External revenues	9,792,211	25,184,753	5,298,166	40,275,130
Inter-segment revenues	9,640,662	-	406,469	10,047,131
Segment revenues	19,432,873	25,184,753	5,704,635	50,322,261
Finance income	99,227	3,076	98,626	200,929
Finance expense	(381,201)	(5,986)	(134,249)	(521,436)
Depreciation and amortisation	(2,383,036)	(1,678,701)	(315,172)	(4,376,909)
Movement in provision for impairment loss on receivables	75,376	(52,522)	-	22,854
Movement in amount written off	(222)	3,850	-	3,628
Reportable segment profit/(loss) before income tax	507,555	4,405,956	(2,055,822)	2,857,689
Income tax expense	(692,724)	(1,477,930)	(4,535)	(2,175,189)
Reportable segment assets	72,599,344	20,965,161	8,880,029	102,444,534
Capital expenditure	3,617,634	1,045,499	142,638	4,805,771
Reportable segment liabilities	24,232,494	25,029,738	7,563,581	56,825,813

7 Operating Segments (Continued)

7.1 Information About Reportable Segments (Continued)

	Software (Licensing) solutions	Processing solutions	Issuing and Acquiring solutions (previously Merchant solutions)	Total reportable segments
	€	€	€	€
Year ended 31 December 2024				
External revenues	10,491,546	23,382,942	3,662,545	37,537,033
Inter-segment revenues	8,394,461	-	292,004	8,686,465
Segment revenues	18,886,007	23,382,942	3,954,549	46,223,498
Finance income	127,771	2,741	51,138	181,650
Finance expense	(424,264)	(4,411)	(138,436)	(567,111)
Depreciation and amortisation	(2,201,777)	(1,373,051)	(253,128)	(3,827,956)
Movement in provision for impairment loss on receivables	29,683	(221,967)	-	(192,284)
Reportable segment profit/(loss) before income tax	1,543,878	4,239,997	(1,602,981)	4,180,894
Income tax expense	(848,497)	(394,994)	216	(1,243,275)
Reportable segment assets	69,010,044	14,817,851	7,589,321	91,417,216
Capital expenditure	3,259,086	173,827	68,399	3,501,312
Reportable segment liabilities	20,196,336	18,882,949	6,274,456	45,353,741

7 Operating Segments (Continued)

7.2 Reconciliations of Reportable Segment Profit or Loss, Assets and Liabilities, And Other Material Items

	2025 €	2024 €
External revenues		
Total revenue for reportable segments	50,322,261	46,223,498
Elimination of inter-segment transactions	(10,047,131)	(8,686,465)
Consolidated revenue	40,275,130	37,537,033
Finance income		
Total finance income for reportable segments	200,929	181,650
Elimination of inter-segment transactions	(99,191)	(127,744)
Consolidated finance income	101,738	53,906
Finance expense		
Total finance expense for reportable segments	521,436	567,111
Elimination of inter-segment transactions	(99,191)	(127,744)
Consolidated finance expense	422,245	439,367
Depreciation and amortisation		
Total depreciation and amortisation for reportable segments	4,376,909	3,827,956
Elimination of inter-segment transactions	(1,410,881)	(935,563)
Consolidated depreciation and amortisation	2,966,028	2,892,393
Profit before income tax		
Total profit before income tax for reportable segments	2,857,689	4,180,894
Elimination of inter-segment transactions	(1,524,956)	(2,026,634)
Consolidated reportable segment profit before income tax	1,332,733	2,154,260
Assets		
Total assets for reportable segments	102,444,534	91,417,216
Elimination of computer software	(2,563,610)	(3,249,098)
Elimination of contract assets	(3,613,077)	(2,651,073)
Elimination of other inter-segment assets	(38,930,686)	(36,392,905)
Consolidated total assets	57,337,161	49,124,140
Liabilities		
Total liabilities for reportable segments	56,825,813	45,353,741
Elimination of inter-segment balances	(18,394,361)	(17,072,311)
Elimination of inter-segment accruals	(4,442,776)	(3,046,035)
Elimination of other inter-segment liabilities	184,800	184,800
Consolidated total liabilities	34,173,476	25,420,195

7 Operating Segments (Continued)

7.2 Reconciliations of Reportable Segment Profit or Loss, Assets and Liabilities, And Other Material Items (Continued)

Except for revenues, the line items in the above tables are allocated as follows – (a) Software (Licensing) solutions comprises the results and financial position of RS2 p.l.c., RS2 Germany GmbH, RS2 Software APAC Inc. and RS2 Software LAC LTDA, (b) Processing comprises the results and financial position of RS2 Software INC. and RS2 Smart Processing Limited and (c) Issuing and Acquiring Solutions (previously Merchant Solutions) comprises the results and financial position of RS2 Merchant Services Europe GmbH, RS2 Financial Services GmbH and RS2 Zahlungssysteme GmbH. The revenue of RS2 Software INC. is allocated to all three segments.

Assets allocated to reportable segments exclude the BankWORKS® license held by RS2 Smart Processing Limited and RS2 Software INC. and any contract assets recognised in relation to services provided between the three segments. Likewise, the Group liabilities exclude accruals, inter-segment balances and inter-segment liabilities.

7.3 Geographical Information

In presenting information for the Group on the basis of geographical segments, revenue is based on the geographical location of its customers. The following non-current segment assets are based on the geographical location of the assets and exclude financial instruments.

	Revenues	Non-Current Assets
	€	€
Year ended 31 December 2025		
Malta	-	27,763,841
UK	10,609,602	-
USA	15,258,260	3,112,822
Other countries	14,407,268	3,936,824
	40,275,130	34,813,487
Year ended 31 December 2024		
Malta	-	25,053,175
UK	9,271,844	-
USA	15,671,909	4,368,187
Other countries	12,593,280	4,463,592
	37,537,033	33,884,954

Other countries comprise revenue based on geographical location of customers, which individually are immaterial and do not exceed 10% of total revenue.

7.4 Major Customers

For the year ended 31 December 2025, revenues from two major customer (2024: two major customers) of the licensing and processing segments amounted to €16,170,403 (2024: €15,707,981) of the Group's total revenues.

8 Property, Plant and Equipment

8.1 The Group

	Land and Buildings	Leasehold Improvements	Equipment, furniture and fittings	Motor Vehicles	Terminals	Total
Cost	€	€	€	€	€	€
Balance at 1 January 2024	8,001,422	1,470,286	5,406,070	270,718	59,192	15,207,688
Additions	5,085	-	110,526	-	11,163	126,774
Disposals	-	-	(59,336)	(18,804)	(651)	(78,791)
Reclassifications	143,044	-	(143,044)	-	13,321	13,321
Effects of movement in exchange rates	-	368	55,284	1,084	-	56,736
Balance at 31 December 2024	8,149,551	1,470,654	5,369,500	252,998	83,025	15,325,728
Balance at 1 January 2025	8,149,551	1,470,654	5,369,500	252,998	83,025	15,325,728
Additions	-	-	119,874	-	17,142	137,016
Reclassifications	-	-	-	-	(9,286)	(9,286)
Effects of movement in exchange rates	-	(2,975)	(122,706)	(6,324)	-	(132,005)
Balance at 31 December 2025	8,149,551	1,467,679	5,366,668	246,674	90,881	15,321,453
Depreciation						
Balance at 1 January 2024	1,630,705	549,360	4,786,920	240,223	42,357	7,249,565
Depreciation for the year	97,402	60,182	224,363	6,170	13,687	401,804
Released on disposals	-	-	(55,350)	(8,341)	-	(63,691)
Reclassifications	69,060	-	(69,060)	-	-	-
Effects of movement in exchange rates	-	368	51,261	563	-	52,192
Balance at 31 December 2024	1,797,167	609,910	4,938,134	238,615	56,044	7,639,870
Balance at 1 January 2025	1,797,167	609,910	4,938,134	238,615	56,044	7,639,870
Depreciation for the year	96,221	59,268	154,233	5,915	14,686	330,323
Effects of movement in exchange rates	-	(2,975)	(115,886)	(5,151)	-	(124,012)
Balance at 31 December 2025	1,893,388	666,203	4,976,481	239,379	70,730	7,846,181
Carrying amounts						
At 1 January 2024	6,370,717	920,926	619,150	30,495	16,835	7,958,123
At 31 December 2024	6,352,384	860,744	431,366	14,383	26,981	7,685,858
At 31 December 2025	6,256,163	801,476	390,187	7,295	20,151	7,475,272

8 Property, Plant and Equipment (Continued)

8.2 The Company

	Land and Buildings	Leasehold Improvements	Equipment, furniture and fittings	Motor Vehicles	Total
	€	€	€	€	€
Cost					
Balance at 1 January 2024	8,001,422	1,340,604	2,886,316	175,034	12,403,376
Additions	5,085	-	66,640	-	71,725
Balance at 31 December 2024	8,006,507	1,340,604	2,952,956	175,034	12,475,101
Balance at 1 January 2025	8,006,507	1,340,604	2,952,956	175,034	12,475,101
Additions	-	-	85,049	-	85,049
Balance at 31 December 2025	8,006,507	1,340,604	3,038,005	175,034	12,560,150
Depreciation					
Balance at 1 January 2024	1,630,706	491,029	2,735,488	175,034	5,032,257
Depreciation for the year	97,402	53,045	95,631	-	246,078
Balance at 31 December 2024	1,728,108	544,074	2,831,119	175,034	5,278,335
Balance at 1 January 2025	1,728,108	544,074	2,831,119	175,034	5,278,335
Depreciation for the year	96,221	52,131	71,586	-	219,938
Balance at 31 December 2025	1,824,329	596,205	2,902,705	175,034	5,498,273
Carrying amounts					
At 1 January 2024	6,370,716	849,575	150,828	-	7,371,119
At 31 December 2024	6,278,399	796,530	121,837	-	7,196,766
At 31 December 2025	6,182,178	744,399	135,300	-	7,061,877

Refer to Note 17.1 for information on pledged assets as security by the Group and the Company.

8.3 Measurement bases, depreciation methods and useful lives

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Borrowing costs related to the acquisition and construction of qualifying assets are capitalised as incurred.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Buildings constructed on leased land are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership at the end of the lease term. Land is not depreciated.

8 Property, Plant and Equipment (Continued)

8.3 Measurement bases, depreciation methods and useful lives (Continued)

The estimated useful lives for the current and comparative periods are as follows:

- buildings 25 - 50 years
- electrical and plumbing installation 15 years
- furniture, fixtures & fittings 10 years
- air-conditioning 6 years
- motor vehicles 5 years
- computer equipment 4 years
- terminals 4 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted as appropriate.

9 Leases

9.1 The Group as a Lessee

This note provides information about lease agreements for which the Group was a lessee during 2025 and 2024. These include:

9.1.1 Leased Premises Gozo

An agreement was entered into for an emphyteutical grant for leased land at Imġarr Road, Xewkija, Gozo under a deed with the Government of Malta. The lease is for a twenty five-year term, lasting until April 2039. Upon expiration of the emphyteutical grant, the emphyteutical site and any improvements thereon shall devolve to the Government without any obligation on the latter to compensate the Company.

9.1.2 Leased Offices USA

An agreement for leased offices in Denver, USA. The initial term of the lease was for a five-year term, commencing in 2016 up until March 2021. The initial lease agreement included an option for the lessee to renew for a further four-year term or to terminate subject to a notice in writing provided that the conditions of the contract agreement are satisfied. The option to extend the term was taken up and a lease contract renewal agreement was entered into as of April 2021 valid until June 2024. Such term was further extended through another agreement for a period between July 2024 and September 2027. The extension agreement includes an option for the lessee to renew for a further 5-year term or to terminate subject to a notice in writing provided that the conditions of the contract agreement are satisfied.

9 Leases (Continued)

9.1 The Group as a Lessee (Continued)

9.1.3 Leased Offices Philippines

An agreement for leased offices in Manila, Philippines. The lease was for a three-year period commencing during June 2016, and was subsequently renewed in June 2019 and June 2024 for another five-year term, up until June 2024 and June 2029, respectively. The renewal of this lease was treated as a new lease in accordance with IFRS 16. The agreement includes an option to renew the lease term provided that both parties mutually agree on the new contract provisions. The lease may be terminated prior to the lease termination date; however, in so doing the lessee will be liable to penalties.

9.1.4 Leased Properties in Germany

An agreement for leased offices in Neu-Isenburg, Germany. This agreement was entered into with a related party on 1 January 2019. The lease is for a ten-year term, lasting until December 2028, with an extension clause that stipulates that if the tenancy is not terminated by either party at least six months before the end date, this is renewed again for another five-year term. Accordingly, the enforceable period of this lease (and the lease term) is 10 years.

An agreement for leased offices in Reinsdorf, Germany. This agreement was entered on 1 December 2022. The lease is for a five-year term, lasting until November 2027. Accordingly, the enforceable period of this lease (and the lease term) is five years.

An agreement for leased offices in Neu-Isenburg, Germany. This agreement was entered into with a related party on 1 February 2022. The lease is for a five-year term, lasting until December 2026, with an extension clause which the lessor has granted the unilateral right to renew unless terminated by the lessee at least six months before the end date. This can be renewed again for another five-year term. Accordingly, the enforceable period of this lease (and the lease term) is 10 years.

An agreement for leased apartment for residential purposes in Neu-Isenburg, Germany. This agreement was entered into with a related party on 1 February 2023. The lease is for a ten-year term, lasting until January 2033. Accordingly, the enforceable period of this lease (and the lease term) is 10 years.

9.1.5 Leased Cars in Germany

Various agreements for leased cars in Germany. The leases are for a three-year to four-year term, ending between May 2024 and January 2028. The enforceable period of such leases (and the lease term) is 3 to 4 years. These agreements were entered into at different points in time between June 2021 and February 2025.

9 Leases (Continued)

9.1 The Group as a Lessee (Continued)

9.1.6 Group and Company Leases

The following tables present the carrying amounts of the Group's and the Company's ROU assets recognised and the movements during the period:

THE GROUP	Land and buildings	Cars	Total
	€	€	€
As at 1 January 2024	2,047,537	149,163	2,196,700
Additions to right-of-use assets	695,754	85,780	781,534
Depreciation charge for the year	(463,826)	(81,079)	(544,905)
Effects of movement in exchange rates	(3,015)	-	(3,015)
As at 31 December 2024	2,276,450	153,864	2,430,314
As at 1 January 2025	2,276,450	153,864	2,430,314
Additions to right-of-use assets	-	18,519	18,519
Depreciation charge for the year	(440,177)	(84,646)	(524,823)
Effects of movement in exchange rates	(64,177)	-	(64,177)
As at 31 December 2025	1,772,096	87,737	1,859,833
THE COMPANY	Land and buildings	Total	
	€	€	
As at 1 January 2024	380,279	380,279	
Depreciation charge for the year	(25,795)	(25,795)	
Additions to right-of-use assets	22,360	22,360	
As at 31 December 2024	376,844	376,844	
Balance at 1 January 2025	376,844	376,844	
Depreciation charge for the year	(26,292)	(26,292)	
Balance at 31 December 2025	350,552	350,552	

9 Leases (Continued)

9.1 The Group as a Lessee (Continued)

9.1.6 Group and Company Leases (Continued)

The following tables present the carrying amounts of the Group's and the Company's lease liabilities and the movements during the period:

THE GROUP	Land and buildings	Cars	Total
	€	€	€
As at 1 January 2024	2,123,625	144,674	2,268,299
Additions	686,387	85,780	772,167
Accretion of interest	67,770	5,831	73,601
Payments	(481,279)	(81,121)	(562,400)
Effects of movement in exchange rates	(1,575)	-	(1,575)
As at 31 December 2024	2,394,928	155,164	2,550,092
As at 1 January 2025	2,394,928	155,164	2,550,092
Additions	-	18,519	18,519
Accretion of interest	62,266	5,780	68,046
Payments	(489,575)	(88,613)	(578,188)
Effects of movement in exchange rates	(67,264)	-	(67,264)
As at 31 December 2025	1,900,355	90,850	1,991,205

THE COMPANY	Land and buildings	Total
	€	€
As at 1 January 2024	418,614	418,614
Additions	22,360	22,360
Accretion of interest	11,986	11,986
Payments	(32,903)	(32,903)
As at 31 December 2024	420,057	420,057
Balance at 1 January 2025	420,057	420,057
Accretion of interest	11,560	11,560
Payments	(32,902)	(32,902)
Balance at 31 December 2025	398,715	398,715

9 Leases (Continued)

9.1 The Group as a Lessee (Continued)

9.1.6 Group and Company Leases (Continued)

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Current	502,329	517,718	21,963	21,343
Non-current	1,488,876	2,032,374	376,752	398,714

The maturity analysis of lease liabilities is disclosed in Note 6.4.

The following are the amounts recognised in profit or loss for financial years ended 31 December:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Depreciation expense	524,823	544,905	26,292	25,795
Interest expense on lease liabilities	68,046	73,601	11,560	11,986
Expenses relating to short-term leases	50,675	50,675	-	-
Total amount recognised in profit or loss	643,544	669,181	37,852	37,781

The total cash outflow for leases amounted to €578,188 and €32,902 (2024: €562,400 and €32,903) for the Group and the Company, respectively.

9.2 The Group as a Lessor

9.2.1 Operating Lease Arrangements

No variable lease payments exist as at 31 December 2025 and 2024 with respect to the leases held by the Group and Company.

Operating leases, in which the Group is the lessor, relate to:

- a) rental of a small number of POS terminals owned by the Group which are not of a specialised nature with lease terms of less than three (3) years. During this lease term, the customers cannot terminate the contract without paying a penalty for early termination; and
- b) rental of POS terminals to taxi drivers in Berlin. The lease agreement with taxi drivers does not have any specific lease term. The terminals are not of a specialised nature and taxi drivers may choose to obtain POS terminals from other suppliers. In addition, the lessee may choose to cancel the contract, providing three months' notice without incurring penalties. The option to extend or renew the contract is considered to be highly unlikely due to other available options for taxi drivers. The lessee does not have an option to purchase the terminals at the expiry of the lease period.

No residual value guarantees apply with respect to the leases held by the Group and the Company as at 31 December 2025 and 2024.

9 Leases (Continued)

9.2 The Group as a Lessor (Continued)

9.2.1 Operating Lease Arrangements (Continued)

Maturity analysis of operating lease receipts:

THE GROUP	2025	2024
	€	€
Within 1 year	9,338	4,293
Total	9,338	4,293

The following table presents the amounts reported in profit or loss:.

THE GROUP	2025	2024
	€	€
Lease income on operating leases	35,263	54,612
Depreciation for the year	(14,686)	(13,687)
Total	20,577	40,925

Lease income on operating leases is included in the Revenue (Note 21).

9.2.2 Finance Lease Receivables

THE GROUP	2025	2024
	€	€
Balance on 1 January	292,250	290,214
Additions during the year	141,465	123,372
Release of receivables during the year	(201,732)	(172,148)
Unwinding of interest	85,044	50,812
Balance at 31 December	317,027	292,250

9 Leases (Continued)

9.2 The Group as a Lessor (Continued)

9.2.2 Finance Lease Receivables (Continued)

THE GROUP	2025	2024
	€	€
Amounts receivable under finance leases:		
Within 1 year	203,463	171,618
Between 1 and 2 years	157,380	135,906
Between 2 and 3 years	97,119	87,482
Between 3 and 4 years	35,029	31,432
More than 4 years	-	2,108
Undiscounted lease payments	492,991	428,546
Less unearned finance income	(175,964)	(136,296)
Present value of lease payments receivable	317,027	292,250
Impairment loss allowance	-	-
Net investment in the lease	317,027	292,250
Undiscounted lease payments analysed as:		
Recoverable within 12 months	203,463	171,618
Recoverable after 12 months	289,528	256,928
	492,991	428,546
Net investment in the lease analysed as:		
Recoverable within 12 months	113,501	103,406
Recoverable after 12 months	203,526	188,844
	317,027	292,250

The Group enters into finance leasing arrangements with customers as a lessor, through the rental of POS terminals owned by the Group. The duration of the rental contracts differs from one customer to another, however the average term of the finance lease entered into is four (4) years. During this rental period, the customer cannot terminate the contract without incurring a penalty for early termination. Ownership of the terminal is not transferred to the customer at the end of the contract term.

Finance income on the net investment in finance leases is included in the Finance Income and Finance Costs (Note 23).

9 Leases (Continued)

9.2 The Group as a Lessor (Continued)

9.2.2 Finance Lease Receivables (Continued)

The Group determined that for those contracts having a remaining life of three (3) years or more, and therefore equal or longer than 75% of the economic life of the terminals, the lessor has a finance lease, even though the title is not transferred.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in Euro.

Residual value risk on terminals under lease is not significant, because of the existence of a secondary market with respect to the asset.

The following table presents the amounts included in profit or loss:

THE GROUP	2025	2024
	€	€
Finance income on the net investment in finance leases	85,044	50,812

The Group's finance lease arrangements do not include variable payments.

The average effective interest rate contracted approximates 56.3% (2024: 31.2%) per annum. The reason for the increase in the average effective interest rate contracted when compared to prior year is due to the fact that the Group was able to purchase POS terminals at a much lower price during 2025.

None of the finance lease receivables at the end of the reporting period are past due and taking into account the historical default experience and the future prospects of the industries in which the lessees operate, the Management of the Group considers that no finance lease receivable is impaired.

9.3 The Company as a Lessor

For the years ended 31 December 2025 and 2024, the Company did not enter into any lease agreements for which the Company was a lessor.

10 Intangible Assets and Goodwill

10.1 The Group

	Goodwill	Internally generated computer software	Software rights	Other computer software	Customer and other related contractual relationship	Total
	€	€	€	€	€	€
Cost						
Balance at 1 January 2024	1,936,791	32,711,903	3,963,724	959,798	594,309	40,166,525
Additions	-	3,367,363	-	7,175	-	3,374,538
Effects of movement in exchange rates	42,888	227,490	53,645	-	-	324,023
Balance at 31 December 2024	1,979,679	36,306,756	4,017,369	966,973	594,309	43,865,086
Balance at 1 January 2025	1,979,679	36,306,756	4,017,369	966,973	594,309	43,865,086
Additions	-	3,640,040	-	1,028,715	-	4,668,755
Effects of movement in exchange rates	(83,048)	(442,080)	(103,874)	-	-	(629,002)
Balance at 31 December 2025	1,896,631	39,504,716	3,913,495	1,995,688	594,309	47,904,839
Amortisation						
Balance at 1 January 2024	-	15,328,526	2,447,060	167,454	198,105	18,141,145
Charge for the year	-	1,576,357	248,118	71,683	49,526	1,945,684
Effects of movement in exchange rates	-	7,675	1,800	-	-	9,475
Balance at 31 December 2024	-	16,912,558	2,696,978	239,137	247,631	20,096,304
Balance at 1 January 2025	-	16,912,558	2,696,978	239,137	247,631	20,096,304
Charge for the year	-	1,660,085	260,046	141,225	49,526	2,110,882
Effects of movement in exchange rates	-	226,566	(7,295)	-	-	219,271
Balance at 31 December 2025	-	18,799,209	2,949,729	380,362	297,157	22,426,457
Carrying amounts						
At 1 January 2024	1,936,791	17,383,377	1,516,664	792,344	396,204	22,025,380
At 31 December 2024	1,979,679	19,394,198	1,320,391	727,836	346,678	23,768,782
At 31 December 2025	1,896,631	20,705,507	963,766	1,615,326	297,152	25,478,382

10 Intangible Assets and Goodwill (Continued)

10.2 The Company

	Internally generated computer software	Software rights	Total
	€	€	€
Cost			
Balance at 1 January 2024	30,604,124	3,000,000	33,604,124
Additions	3,607,522	-	3,607,522
Balance at 31 December 2024	34,211,646	3,000,000	37,211,646
Balance at 1 January 2025	34,211,646	3,000,000	37,211,646
Additions	3,956,202	-	3,956,202
Balance at 31 December 2025	38,167,848	3,000,000	41,167,848
Amortisation			
Balance at 1 January 2024	15,459,530	2,425,231	17,884,761
Amortisation for the year	1,495,061	191,588	1,686,649
Balance at 31 December 2024	16,954,591	2,616,819	19,571,410
Balance at 1 January 2025	16,954,591	2,616,819	19,571,410
Amortisation for the year	1,725,954	191,588	1,917,542
Balance at 31 December 2025	18,680,545	2,808,407	21,488,952
Carrying amounts			
At 1 January 2024	15,144,594	574,769	15,719,363
At 31 December 2024	17,257,055	383,181	17,640,236
At 31 December 2025	19,487,303	191,593	19,678,896

Refer to Note 17.1 for information on pledged assets as security by the Group and the Company.

10 Intangible Assets and Goodwill (Continued)

10.3 Amortisation

The amortisation of internally generated computer software, customer and other related contractual relationship and software rights is included in cost of sales, whereas amortisation of other computer software is included in administrative expenses.

10.4 Internally Generated Computer Software

The internally generated computer software, which is continually under development, is recognised annually and the relative amortisation is charged annually in line with the accounting policy in Note 4.5.7. In view that the processing solutions business went live in 2024, RS2 Software INC. began amortising their internally generated computer software accordingly. The carrying amount as at 31 December 2025 amounted to €2,980,725 (2024: €3,625,581). The remaining amortisation period ranges depending on when the assets are available for use and does not exceed 15 years being the total amortisation period.

10.5 Software Rights

Software rights comprise of BankWORKS® reacquired software rights. The BankWORKS® software rights were reacquired by RS2 Software INC. through two separate transactions in 2009 and 2011 and the carrying amount as at 31 December 2025 amounted to €621,592 (2024: €773,134). In 2009, upon the business combination of RS2 Software INC., the Group reacquired the BankWORKS® software rights previously granted. In view that the processing solutions business went live in 2024, RS2 Software INC. began amortising their software rights accordingly. The remaining amortisation period amounts to 13 years (2024: 14 years).

In 2011 the Company re-acquired BankWORKS® software rights from a customer situated in the Scandinavian region. The carrying amount as at 31 December 2025 amounted to €191,593 (2024: €383,181). The relative amortisation is charged annually in line with the accounting policy in Note 4.5.7. The remaining amortisation period for the software rights amounts to 1 year (2024: 2 years). As at 31 December 2025, the carrying amount of software rights for RS2 Financial Services GmbH amounted to €150,581 (2024: €164,076).

10.6 Other Computer Software

At 31 December 2025, other computer software with a carrying amount of €1,615,326 (2024: €727,836) comprise of licenses acquired by RS2 Smart Processing Limited and bank identification number sponsorship costs relating to RS2 Financial Services GmbH.

The relative amortisation is charged annually in line with the accounting policy in Note 4.5.7. The remaining amortisation period ranges depending on when the assets are available for use and does not exceed 15 years being the total amortisation period.

10 Intangible Assets and Goodwill (Continued)

10.7 Customer and Other Related Contractual Relationship

Upon acquisition of Kalicom Zahlungssysteme GmbH on 1 January 2020, the Group also acquired an existing customer base and other contractual relationship. The relative amortisation is charged annually in line with the accounting policy in Note 4.5.7. The remaining amortisation period for the customer and other related contractual relationship amounts to 6 years (2024: 7 years).

10.8 Impairment Testing for Cash-Generating Unit Containing Goodwill (RS2 Software INC.)

Goodwill primarily arose from the acquisition of 26% of the issued share capital of RS2 Software LLC (formerly Transworks LLC) in 2009. During 2014, the Company acquired a further 38.2% shareholding in RS2 Software LLC for \$500,000. In 2018, RS2 Software LLC was merged into a newly formed company, RS2 Software INC., in which the Company held the same percentage holding that it held in RS2 Software LLC. For the purposes of impairment testing of goodwill arising on the acquisition of RS2 Software LLC (now merged into RS2 Software INC.), the recoverable amount of the related CGU containing goodwill was based on its value-in-use and was determined by discounting the projected future cash flows to be generated from RS2 Software INC. As at the end of 31 December 2025, the total shareholding stood at 73.24% (2024: 73.24%). Management prepared forecasts of net cash flows for the five-year period 2026 - 2030 (2024: 2025 - 2029) and applied growth rates for subsequent years.

10.8.1 Past Performance and Outlook

North America presents the largest market in the growing global payment industry. Electronic payment growth continues to benefit from secular trends and is strong at +5% annually resulting in payment revenues exceeding \$500 billion. Mega-mergers in the card processing market (Fiserv/First Data; FIS/WorldPay; Global Payments/TSYS) have created a void of providers to serve ISOs, ISVs and PayFacs. Legacy players have blurred the value chain and operate patchworks of legacy platforms cobbled together through acquisitions, whilst technology-oriented new entrants still focus on niche markets, creating massive shareholder value. RS2 Software INC. has adapted and certified RS2 p.l.c.'s proven BankWORKS® payment processing platform for the North American Market, activated its first BIN sponsorship and hired a core team. BankWORKS® is a distinctive global payment platform, with lighthouse customers in Europe, LATAM and Asia. It enables truly global merchant acquiring. RS2 is now seeking capital to fund development of a Payment-as-a-Service Platform build on BankWORKS®, aggressive organic growth and selective M&A opportunities (accelerate technology and portfolio).

RS2 Software INC. now offers a global, complete and modern cloud-based processing platform (issue/settle/acquire) for any form of payment (including crypto-currency), with rich functionality and API enablement. The Company is positioned as a Payment-as-a-Service company that enables innovators to create their own payment ecosystem. It is thus a real alternative to existing players. Focus is on filling the void created by mega-mergers: target customers are technical ISOs, ISVs, PayFacs and technology companies with merchant base. As product offering expands, total addressable market will expand. Over time, the core platform will be supplemented with additional utility (e.g. fraud defence) and value-added services (e.g. analytics, loyalty and rewards) such as third party or internally-developed services to develop a modular payment-as-a-service platform.

10 Intangible Assets and Goodwill (Continued)

10.8 Impairment Testing for Cash-Generating Unit Containing Goodwill (RS2 Software INC.) (Continued)

10.8.2 Assumptions

There are a number of assumptions and estimates involved in calculating the present value of future cash flows from the Group's businesses, including Management's expectations of:

- growth in forecast net cash flows, calculated as adjusted operating profit or loss before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- uncertainty of future technological developments;
- long-term growth rates; and
- discount rates to reflect the risks involved.

In order to estimate the Enterprise Value of the subsidiary, which was used by Management for the purposes of impairment testing of goodwill arising on the acquisition of RS2 Software LLC (now merged into RS2 Software INC.) as well as impairment testing of the Company's investment in the US subsidiary, an income approach valuation methodology has been considered.

The key assumptions used in the calculation of the value-in-use of RS2 Software INC. are the forecasted net cash flows and the discount rate, used in a risk-adjusted cash flow forecast.

The cash flow projections used to calculate value-in-use consider the forecast net cash flows for five years and a terminal growth rate of 3.14% (2024: 2.88%). These projections comprise cash flow movements based on:

- revenue expected to be generated over the following five years, with growth being projected on the forecasted sales volumes and charges. Such revenue forecasts comprise the revenue potential of current leads and ongoing negotiations with prospective clients, as well as revenue expected from new targets.
- expenses expected to be incurred to generate forecasted revenues. Such expenses mainly encompass wages and salaries for staff engaged in management, operations, sales and administration; operating costs including hosting and software related; consultancy fees, travelling and other ancillary expenses.

For 2025, the execution risk of 2% (2024: 6.0%) as well as a small company risk premium of 3.5% (2024: 3.5%) were reflected in the forecasted net cash (outflows)/inflows.

Discount rate*:

	2025	2024
Post-tax	14.6%	17.6%
Pre-tax	17.7%	21.3%

* The discount rate is a measure based on the US risk-free rate, industry specific risk rate and the estimated projection risk rate of the business initiative. The discount rate reflects the current market assessments of the time value of money and Management's assessment of the risks specific to the projected cash flows.

10 Intangible Assets and Goodwill (Continued)

10.8 Impairment Testing for Cash-Generating Unit Containing Goodwill (RS2 Software INC.) (Continued)

10.8.3 Terminal Growth Rate

Cash flows beyond 2030 have been extrapolated using a terminal growth rate of 3.14% (2024: 2.88%). The terminal growth rate was determined based on Management's estimate of the long-term compounded annual cash flow growth rate, consistent with the assumption that a market participant would make.

10.8.4 Assessment

At Company level, the recoverable amount of RS2 Software INC. was determined to be higher than its carrying amount. The carrying amount comprises the cost of the investment in shares and advances to RS2 Software INC. at 31 December 2025 which stood at €11.7m (2024: €11.7m).

At Group level, the recoverable amount of the CGU and related goodwill, was determined to be higher than its carrying amount. The carrying amount of the CGU, which includes internally generated as well as other computer software in relation to RS2 Software INC., amounts to €7.8m (2024: €5.1m), of which goodwill amounts to €0.6m (2024: €0.7m).

In line with the outcome of such assessments, Management is of the opinion that the investment in RS2 Software INC., both from a Company and a Group perspective, is not impaired.

10.9 Impairment Testing for Cash-Generating Unit Containing Goodwill (RS2 Zahlungssysteme GmbH)

During the period ending on 31 December 2020, goodwill arose from the acquisition of 100% of the issued share capital of Kalicom Zahlungssysteme GmbH (renamed to RS2 Zahlungssysteme GmbH) by RS2 Group (RS2 Holding Europe GmbH). For the purposes of impairment testing of goodwill arising on this acquisition, the recoverable amount of the related CGU containing goodwill was based on its value-in-use and was determined by discounting the projected future cash flows to be generated from RS2 Zahlungssysteme GmbH. For this purpose, Management prepared forecasts of net cash flows for the five-year period 2026 - 2030 (2024: 2025 - 2029) and applied growth rates for subsequent years.

10.9.1 Background and Outlook

RS2 Zahlungssysteme GmbH is an ISO and payment provider business for SMEs and selected key account merchants across Germany. The services provided by RS2 Zahlungssysteme GmbH include network service provider, giro card (an interbank network and debit card service virtually connecting all German ATMs and banks) and credit card acceptance, terminals, terminal management, technical maintenance and a wide range of value added services. The acquisition is a starting point for RS2's direct merchant business with more than 4,000 terminals and over 1,800 merchants under management.

10 Intangible Assets and Goodwill (Continued)

10.9 Impairment Testing for Cash-Generating Unit Containing Goodwill (RS2 Zahlungssysteme GmbH) (Continued)

10.9.2 Assumptions

There are a number of assumptions and estimates involved in calculating the present value of future cash flows from the Group's businesses, including Management's expectations of:

- growth in forecast net cash flows, calculated as adjusted operating profit or loss before depreciation and amortisation;
- timing and quantum of future capital expenditure;
- uncertainty of future technological developments;
- long-term growth rates; and
- discount rates to reflect the risks involved.

The key assumptions used in the calculation of the value-in-use of RS2 Zahlungssysteme GmbH, are the forecasted net cash flows and the discount rate, used in a risk-adjusted cash flow forecast.

The cash flow projections used to calculate value-in-use consider the forecast net cash flows for five years and a terminal growth rate of 2.39% (2024: 2.25%). These projections comprise cash flow movements based on:

- revenue expected to be generated over the following five years, with growth being projected on the forecasted sales volumes and charges. Such revenue forecasts comprise the revenue potential of current leads and ongoing negotiations with prospective clients, as well as revenue expected from new targets.
- expenses expected to be incurred to generate forecasted revenues. Such expenses mainly encompass wages and salaries for staff engaged in operations; operating costs; and other ancillary expenses.

For 2025, the execution risk of 3% (2024: 4%) as well as a small company risk premium of 3.5% (2024: 2%) were reflected in the forecasted net cash (outflows)/inflows.

Discount rate*:

	2025	2024
Post-tax	13.4%	12.6%
Pre-tax	17.5%	16.3%

* The discount rate is a measure based on the German risk-free rate, industry specific risk rate, the estimated projection risk rate of the business initiative as well as a small company risk premium. The discount rate reflects the current market assessments of the time value of money and Management's assessment of the risks specific to the projected cash flows.

10 Intangible Assets and Goodwill (Continued)

10.9 Impairment Testing for Cash-Generating Unit Containing Goodwill (RS2 Zahlungssysteme GmbH) (Continued)

10.9.3 Terminal Growth Rate

Cash flows beyond 2030 have been extrapolated using a terminal growth rate of 2.39% (2024: 2.25%). The terminal growth rate was determined based on Management's estimate of the long-term compounded annual cash flow growth rate, consistent with the assumption that a market participant would make.

10.9.4 Assessment

At Group level, the recoverable amount of the CGU was determined to be higher than its carrying amount. The carrying amount of the CGU, which includes customer and other related contractual relationship in relation to RS2 Zahlungssysteme GmbH, amounts to €2.3m (2024: €2.4m), of which goodwill amounts to €1.3m (2024: €1.3m). In line with the outcome of such an assessment, Management is of the opinion that this CGU is not impaired.

11 Investments in Subsidiaries

11.1 Movement Schedule of Investments in Subsidiaries

	THE COMPANY	
	2025	2024
	€	€
Balance at 1 January	22,565,982	20,770,982
Contribution to subsidiaries	2,205,000	1,795,000
Repayment of contribution from subsidiary	(650,000)	-
Balance at 31 December	24,120,982	22,565,982

In the past, RS2 p.l.c. had advanced as capital contribution an amount of €650,000 to RS2 Germany GmbH, to use to refurbish the new offices which it is leasing from a related party (see Notes 30.3 and 30.4). This €650,000 was fully repaid to RS2 p.l.c. in January 2025.

11.2 Contributions to Subsidiaries

Contributions to subsidiaries are unsecured, interest free and represent capital contributions.

11 Investments in Subsidiaries (Continued)

11.3 Further Details About RS2 p.l.c.'s Investment in Subsidiaries

	Registered office	Ownership interest fully paid-up		Nature of business
		2025	2024	
		%	%	
RS2 Smart Processing Limited	RS2 Buildings, Fort Road, Mosta MST1859, Malta	99.92	99.92	Transaction processing services with the use of BankWORKS®
RS2 Software INC.	Twelfth floor, Suite No. 1285, South Ulster, Denver, Colorado USA	73.24	73.24	Transaction processing services with the use of BankWORKS®
RS2 Software LAC LTDA	Rua Manoel de Nóbrega Município de São Paulo Estado de São Paulo Brazil	99.00	99.00	Provision of support and other related services to the Company and its clients
RS2 Software APAC Inc.	Unit 1501 AccraLaw Tower 2nd Avenue Corner 30th Street Bonifacio Global City Barangay Fort Bonifacio Taguig City 1634, Metro Manila Philippines	99.99	99.99	Provision of support and other related services to the Company and its clients
RS2 Germany GmbH	Martin-Behaim-Straße 15A 63263 Neu-Isenburg Germany	100.00	100.00	Provision of support and other related services to the Company
RS2 Merchant Services Europe GmbH	Martin-Behaim-Straße 15A 63263 Neu-Isenburg Germany	100.00	100.00	Holding company

11 Investments in Subsidiaries (Continued)

11.3 Further Details About RS2 p.l.c.'s Investment in Subsidiaries (Continued)

In addition, RS2 Merchant Services Europe GmbH owns the following subsidiaries:

	Registered office	Ownership interest fully paid-up		Nature of business
		2025	2024	
		%	%	
RS2 Financial Services GmbH	Martin-Behaim-Straße 15A 63263 Neu-Isenburg Germany	100.00	100.00	Provision of acquiring and issuing solutions to merchants and cardholders
RS2 Zahlungssysteme GmbH	Martin-Behaim-Straße 15A 63263 Neu-Isenburg Germany	100.00	100.00	Provision of payment terminals and related ancillary services

11.4 Investment in RS2 Software INC.

On 12 June 2009, the Company acquired control of RS2 Software LLC, a transaction processing company in the United States of America, by acquiring 26% of the shares and voting interests in the company, as well as the right to appoint the majority of the Board of Directors. On 24 September 2014, the Company acquired a further 38.2% shareholding in RS2 Software LLC. On 16 February 2018, a new company, RS2 Software INC. was incorporated and the Company held 64.2% shareholding in it. The newly formed corporation merged with RS2 Software LLC on 28 March 2018, with the former company being the remaining company. During the year ended 31 December 2022, the Company's investment in RS2 Software INC. increased to 72.57% following the repayment of an outstanding loan with its parent company. During the year ended 31 December 2024, the Company's investment in RS2 Software INC. increased to 73.24% following a buy back of vested share options from an employee.

In March 2019, the Group granted 5,626 share options to its management, with certain vesting conditions and restrictions. These arrangements are accounted for as cash-settled and accordingly a corresponding liability is recognised in the Group's financial statements (refer to Note 28.2). The balance of outstanding share options at 31 December 2025 stood at 625 share options (2024: 625 share options). During the period in which such individuals will hold the shares, the Group's effective voting rights will be reduced accordingly.

The carrying amount of the investment is tested for impairment as disclosed in Note 10.8.4.

As at 31 December 2025, issued ordinary share capital in RS2 Software INC. amounted to €1,398,576 (2024: €1,398,576). Profit for the year amounts to €223,725 (2024: €3,173,605) and the accumulated profits total €872,396 (2024: accumulated profits total €1,016,047). The translation reserve of RS2 Software INC. comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. This reserve is non-distributable and amounts to a negative €528,914 (2024: negative €302,621).

11 Investments in Subsidiaries (Continued)

11.5 Investment in RS2 Smart Processing Limited

On 29 May 2012, the Company subscribed to and was allotted 1,200 shares in RS2 Smart Processing Limited, a company registered in Malta, representing 99.92% of the share capital of this subsidiary. During 2015, RS2 Smart Processing Limited increased its authorised share capital to 1,500,000 ordinary shares at a nominal value of €1.00 each. The increase in share capital was fully subscribed to by the existing shareholders as at 31 December 2014 in a proportionate manner. At Company level, the recoverable amount of RS2 Smart Processing Limited was determined to be higher than its carrying amount. The carrying amount comprises the cost of the investment in shares and advances to RS2 Smart Processing Limited at 31 December 2025 which stood at €1.0m (2024: €1.0m). The key assumptions used in the calculation of the value-in-use of RS2 Smart Processing Limited are the forecasted net cash flows and the discount rate and any major fluctuations in these unobservable inputs may significantly impact the estimated recoverable amount and consequently, any excess of such amount over the carrying amount.

As at 31 December 2025, issued ordinary share capital in RS2 Smart Processing Limited amounted to €1,500,000 (2024: €1,500,000). Profit for the year amounted to €2,704,300 (2024: €671,399) and the accumulated gains amounted to €5,977,146 (2024: €3,272,846). Other reserves relates to post-employment benefits to key management personnel amounting to €123,108 (2024: €104,275).

11.6 Investment in RS2 Software LAC LTDA

On 16 September 2015, the Company subscribed to and was allotted 3,465 shares in RS2 Software LAC LTDA, a company registered in Brazil, representing 99.00% of the share capital of this subsidiary.

As at 31 December 2025, issued ordinary share capital in RS2 Software LAC LTDA amounted to €789 (2024: €789). Profit for the year amounts to €4,452 (2024: loss €2,446) and accumulated losses amounted to €23,513 (2024: €27,965). The translation reserve of RS2 Software LAC LTDA comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. This reserve is non-distributable and amounts to €13,905 (2024: €13,972).

11.7 Investment in RS2 Software APAC Inc.

On 4 April 2016, the Company subscribed to and was allotted 55,745 shares of PHP100 each in RS2 Software APAC Inc., a company registered in the Philippines, representing 99.99% of the share capital of this subsidiary.

The subsidiary generates the absolute majority of its revenue from within the Group and as such does not qualify as a separate CGU. The Group assesses for any indicators of impairment of the related carrying amount on an annual basis. Having considered both the internal value-in-use, driven by substantial operational cost savings, and the qualitative benefits of geographic resource diversification, Management is satisfied that the investment is fully recoverable and that there is no objective evidence of impairment for the investment.

11 Investments in Subsidiaries (Continued)

11.7 Investment in RS2 Software APAC Inc. (Continued)

As at 31 December 2025, issued ordinary share capital in RS2 Software APAC Inc. amounted to €112,105 (2024: €112,105). Profit for the year amounts to €372,154 (2024: €134,896) and the retained earnings reserve totals €1,693,677 (2024: €1,321,523). The translation reserve of RS2 Software APAC Inc. comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. This reserve is non-distributable and amounts to a negative €321,356 (2024: negative €128,486). Employee benefits reserve relates to post-employment benefits and amounts to a negative €903 (2024: negative €18,246).

During the year ended 31 December 2024, RS2 p.l.c. received dividends amounting to €825,163 from RS2 Software APAC Inc. through a set-off of outstanding invoices. No such dividends were received in the year ended 31 December 2025.

11.8 Investment in RS2 Germany GmbH

On 2 February 2018, the Company subscribed to and was allotted 1 share equivalent to €25,000 in RS2 Germany GmbH, a company registered in Germany, representing 100.00% of the share capital of this subsidiary.

The subsidiary generates revenue entirely from within the Group and as such does not qualify as a separate CGU. The Group assesses for any indicators of impairment of the related carrying amount on an annual basis. Given the strategic necessity of the German office for the BaFin-licensed operations of RS2 Financial Services GmbH and the irreplaceable product expertise housed within the entity, the Value in Use to the Group is deemed higher than its book value. Consequently, no formal impairment test is required for the current period.

As at 31 December 2025, issued ordinary share capital in RS2 Germany GmbH amounted to €25,000 (2024: €25,000). Profit for the year amounts to €62,211 (2024: profit of €563,956) and the retained earnings reserve totals €633,048 (2024: €1,220,837).

11.9 Investment in RS2 Merchant Services Europe GmbH

On 1 November 2019, the Company subscribed to and was allotted 25,000 shares equivalent to €25,000 in RS2 Merchant Services Europe GmbH a company registered in Germany, representing 100.00% of the share capital of this subsidiary.

As at 31 December 2025, issued ordinary share capital in RS2 Merchant Services Europe GmbH amounted to €25,000 (2024: €25,000). The profit for the year amounts to €6,570 (2024: profit of €2,452) and the accumulated losses total €19,302 (2024: losses of €25,872). Other reserves amount to €10,250,000 (2024: €8,045,000).

11 Investments in Subsidiaries (Continued)

11.9 Investment in RS2 Merchant Services Europe GmbH (Continued)

At Company level, the recoverable amount of RS2 Merchant Services Europe GmbH was determined to be higher than its carrying amount. The carrying amount comprises the cost of the investment in shares and advances to RS2 Merchant Services Europe GmbH at 31 December 2025 which stood at €10.3m (2024: €8.1m). The key assumptions used in the calculation of the value-in-use of RS2 Merchant Services Europe GmbH are the forecasted net cash flows and the discount rate and any major fluctuations in these unobservable inputs may significantly impact the estimated recoverable amount and consequently, any excess of such amount over the carrying amount.

11.10 Restrictions on Assets and Liabilities

Other than as disclosed, there are no significant restrictions on the ability to access or use assets, and settle liabilities of the Group.

11 Investments in Subsidiaries (Continued)

11.11 Non-Controlling Interests

At 31 December 2025, RS2 p.l.c.'s investment in RS2 Software INC. stood at 73.24% (2024: 73.24%), whilst the NCI's percentage shareholding stood at 26.76% (2024: 26.76%). The table below shows the net assets, net liabilities, profit, other comprehensive income and cashflows attributable to the NCI of RS2 Software INC. Other NCI comprises of NCI in RS2 Smart Processing Limited, RS2 Software LAC LTDA and RS2 Software APAC Inc., which as at end of 31 December 2025 stood at 0.08% (2024: 0.08%), 1.00% (2024: 1.00%) and 0.01% (2024: 0.01%), respectively.

	2025	2024
	€	€
Non-current assets	11,448,569	13,059,605
Current assets	7,107,054	3,810,243
Current liabilities	(16,813,566)	(14,757,846)
Net assets	1,742,057	2,112,002
Net assets attributable to NCI	466,174	565,172
Adjustments:		
Share of capital contribution due to the Company	(2,569,025)	(2,667,335)
Other adjustments	19,254	(167,593)
Net assets attributable to other NCI	5,883	3,640
Net liabilities attributable to total NCI	(2,077,714)	(2,266,116)
Revenue	11,769,429	15,671,909
Profit	223,725	3,173,605
Other comprehensive income/(loss)	471,976	(419,475)
Total comprehensive income	695,701	2,754,130
Income attributable to NCI	59,869	864,455
Profit attributable to other NCI	2,245	526
Profit attributable to total NCI	62,114	864,981
Other comprehensive income/(loss) attributable to NCI	126,301	(112,233)
Other comprehensive (loss)/income attributable to other NCI	(13)	3,415
Other comprehensive income/(loss) attributable to total NCI	126,288	(108,818)
Cash flows from operating activities	519,724	2,420,799
Cash flows from investing activities	(903,353)	(1,177,930)
Cash flows from financing activities (dividends to NCI: nil)	(426,213)	268,403
Net movement in cash and cash equivalents	(809,842)	1,511,272

12 Inventories

	THE GROUP	
	2025	2024
	€	€
Current		
Finished goods – terminals at cost	291,396	164,243
Finished goods – terminals at net realisable value	36,983	30,389
	328,379	194,632

Inventories are valued at cost, using the specific identification method. Under this method, the cost of each inventory item is directly assigned based on its actual purchase. The company primarily uses this method for items that are individually identifiable and not interchangeable. Costs of purchased inventory are determined after deducting rebates and discounts. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Inventories recognised as an expense during the year ended 31 December 2025 amounted to €23,932 (2024: €41,576). These were included in cost of sales.

Write-downs of inventories to net realisable value amounted to €14,698 (2024: €11,139).

None of these inventories have been pledged as security for liabilities (2024: none).

13 Trade and Other Receivables

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Current				
Trade receivables	8,859,910	3,353,053	232,254	116,604
Amounts owed by subsidiaries	-	-	20,884,063	17,991,328
Amounts owed by other related parties	201,038	597,905	201,038	597,905
Other receivables	948,414	1,539,574	22,812	2,805
	10,009,362	5,490,532	21,340,167	18,708,642

Transactions with related parties are set out in Note 30 to these financial statements.

Trade receivables for the Group and the Company are shown net of impairment losses recognised during the year as disclosed in Note 22.4.

Information about the Group's and the Company's exposure to credit and market risks for trade receivables is included in Note 6.

13 Trade and Other Receivables (Continued)

13.1 Loans Receivable

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Non-current				
Loans receivable from group companies	-	-	2,055,567	2,062,643
Current				
Amounts owed by group companies	-	-	760,232	1,063,972
Amounts owed by other related parties	86,032	21,754	84,045	19,768
	86,032	21,754	844,277	1,083,740

Amounts due by RS2 Software LAC LTDA of €55,568 as at 31 December 2025 (2024: €62,643) were unsecured, repayable on demand and did not bear any interest.

Amount due by RS2 Zahlungssysteme GmbH of €2.0m (2024: €2.0m) was unsecured and bears interest of 2.7% per annum over the 3-month Euribor. Such amount is repayable by 2029.

Amounts owed by group companies includes €696,595 (2024: €696,595) due from RS2 Smart Processing Limited. Amounts are unsecured, repayable on demand and interest free.

Transactions with related parties are set out in Note 30 to these financial statements. The Group's and the Company's exposure to credit and market risks for loans receivable are disclosed in Note 6.

14 Accrued Income and Contract Assets

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Current				
Contract assets owed by third parties	4,143,221	1,091,183	162,173	89,618
Contract assets owed by other related parties	148,356	103,725	148,356	103,725
	4,291,577	1,194,908	310,529	193,343
Category of activity	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Service fees, transaction processing and customisation	4,291,577	1,194,908	310,529	193,343
	4,291,577	1,194,908	310,529	193,343

14 Accrued Income and Contract Assets (Continued)

Significant changes in the contract assets balances during the period are as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Balance at 1 January	1,194,908	3,846,197	193,343	277,900
Increases as a result of further progress	4,177,187	1,104,748	215,022	130,131
Release of opening contract assets to receivables	(1,109,944)	(3,764,247)	(135,327)	(229,082)
Other movements	35,316	(1,389)	38,062	3,845
Movement on expected credit losses on contract assets	(5,890)	9,599	(571)	10,549
Balance at 31 December	4,291,577	1,194,908	310,529	193,343

Transactions with related parties are set out in Note 30 to these financial statements.

In relation to implementation and customisation which is followed by transaction processing services, the following applies: (a) where the fee is treated as an advance payment for future goods or services and is therefore recognised as revenue when those future goods or services are provided, the related costs are amortised on a straight-line basis over the period that the related future service is expected to be transferred to the customer; and (b) where the fee relates to a distinct performance obligation and that activity results in the transfer of a promised good or service to the customer, the related revenue and costs are recognised over the customisation period.

15 Cash at bank and in hand

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Cash at bank	2,758,547	3,386,258	68,127	90,966
Cash in hand	10,182	7,131	928	1,064
	2,768,729	3,393,389	69,055	92,030
Restricted cash at bank in RS2 Financial Services GmbH & RS2 Software INC.	2,930,348	2,909,426	-	-

As at 31 December 2025, restricted cash amounting to €2,930,348 (2024: €2,909,426) relates to restricted cash held in trust accounts by RS2 Financial Services GmbH and RS2 Software INC. This cash is restricted as it is used to pay customers. The corresponding liability amounting to €3,288,479 (2024: €2,841,185) is included within Trade and Other Payables (Note 19).

16 Capital and Reserves

16.1 Share Capital

Authorised Share Capital

The Company's authorised share capital consisted of €18,000,000 in ordinary shares divided into 300,000,000 shares of €0.06 each and €3,600,000 in preference shares divided into 60,000,000 of €0.06 each.

Issued Share Capital

	GROUP AND COMPANY	
	2025 €	2024 €
Ordinary shares – issued and fully paid-up 218,403,701 shares at €0.06 per share	13,104,222	13,104,222
Preference shares – issued and fully paid-up 10,141,649 shares at €0.06 per share	608,499	608,499

Shareholder Rights

Ordinary shares

Ordinary shareholders are entitled to two votes per share at the meetings of the Company and are entitled to receive dividends as declared from time to time. All ordinary shares shall rank pari passu.

Preference shares

During the year ended 31 December 2021, the Company issued 8,989,600 preference shares with a nominal value of €0.06 per share, at an offer price of €1.75. The shares are denominated in EUR. The Preference Shares carry the right to participate in the Company's profits in the form of non-cumulative dividends at a premium of not less than 10% over the dividend distributed and payable to the holders of Ordinary Shares.

The Preference Shareholders have the right to attend general meetings of the Company but, save for specific circumstances as documented in the Company's Memorandum and Articles of Association, do not have the right to vote at any general meeting of the Company. In those cases, where Preference Shareholders have the right to vote, such Preference Shareholders have one vote in respect of each Preference Share whereas Ordinary Shareholders have two in respect of each Ordinary Share. The Preference Shareholders carry the right to participate in any distribution of capital made whether on a winding up or otherwise, pari passu with all other Ordinary Shares. The Preference Shares are not redeemable or convertible into any other form of security.

16.2 Share Premium

The Share Premium represents share premium (net of share issuance costs) from the initial public offering of the Company's ordinary shares in 2008 and share premium from the preference share issue in 2021. Throughout the years, a number of bonus share issues were capitalised out of the Share Premium. As at 31 December 2025, Share Premium stood at €14,763,347 (2024: €14,763,347).

16 Capital and Reserves (Continued)

16.3 Reserves

16.3.1 Translation Reserve

The translation reserve of the Group comprises all foreign currency differences arising from the translation of the financial statements of foreign operations. This reserve is non-distributable.

16.3.2 Employee Benefits Reserve

The employee benefits reserve includes non-competition post-employment benefits due to employees holding senior management positions as further disclosed in Note 27 to these financial statements.

16.4 Availability of Reserves for Distribution

The non-distributable reserves include the Share premium reserve, Employee benefits reserve, Translation reserve and Other reserves.

17 Borrowings

	GROUP AND COMPANY	
	2025 €	2024 €
Current liabilities		
Bank loan	-	177,899
Bank overdraft	8,919,014	5,179,709
At end of year	8,919,014	5,357,608

17 Borrowings (Continued)

The following table illustrates a reconciliation of opening and closing balances of borrowings for both the Group and Company:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Opening balance	5,357,608	7,121,682	5,357,608	7,121,682
Interest charged on bank loan	634	24,504	634	24,504
Interest charged on overdraft	327,177	337,351	327,177	337,351
Other interest charged	4	4	4	4
Principal paid on bank loan	(177,347)	(510,717)	(177,347)	(510,717)
Interest paid on bank loan	(1,186)	(27,703)	(1,186)	(27,703)
Interest paid on overdraft	(327,177)	(337,352)	(327,177)	(337,352)
Other interest paid	(4)	(4)	(4)	(4)
Movement in bank overdraft	3,739,305	(1,250,157)	3,739,305	(1,250,157)
Closing balance	8,919,014	5,357,608	8,919,014	5,357,608

Bank borrowings represent the balance on two banking facilities. The first facility is a loan which was sanctioned to the Company on 19 December 2019 to finance the investment cost relating to the cost of acquisition of a merchant acquiring company based in Germany, repayable over a period of 5 years and subject to interest at the rate of 2.7% over the 3-month Euribor rate, floored at 0% per annum. This loan was fully repaid in the financial year ending 31 December 2025.

The second facility is an overdraft facility used for working capital requirements in connection with routine business operations, repayable on demand at the Bank's discretion. As per the latest sanction letter dated 18th November 2025, this is subject to interest at the rate of 2.7% over the Bank's base rate of 2.25% per annum (previously the rate was 2.7% over the 3-month Euribor rate, floored at 0% per annum).

17.1 Collateral Hedged Against Bank Borrowings

All facilities are secured by first general hypothec over the Company's assets, first special hypothec and special privileges over the land and buildings situated in Mosta with a carrying amount of €6,182,178 (2024: €6,278,399) and a pledge on a comprehensive insurance policy covering the hypothecated property.

The property which is specifically hypothecated in favour of the Bank shall not be let, rented out, leased or transferred to any third party under any title whatsoever, nor subsequently charged in favour of third parties, without the Bank's prior written consent. Moreover, such property may be subject to a property revaluation every three years or at shorter intervals, at the Bank's discretion, depending on the property market conditions.

17.2 Undrawn Overdraft Facilities

As at 31 December 2025, the Group had undrawn overdraft facilities of €1.1m (2024: €4.8m).

18 Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities are attributable to the following:

THE GROUP	Assets		Liabilities		Balance	
	2025 €	2024 €	2025 €	2024 €	2025 €	2024 €
Property, plant and equipment	-	-	(77,884)	(81,555)	(77,884)	(81,555)
Intangible assets	-	40,481	(6,287,234)	(5,202,948)	(6,287,234)	(5,162,467)
Impairment loss on receivables	105,968	-	-	-	105,968	-
Provision for exchange fluctuations	282,124	115,635	(5,398)	(1,366)	276,726	114,269
Unabsorbed losses	54,510	28,204	-	-	54,510	28,204
Temporary difference on expected credit losses under IFRS 9	200,337	313,709	-	-	200,337	313,709
Temporary difference on revenues previously recorded under IFRS 15	184,800	184,800	(184,800)	(184,800)	-	-
Temporary difference on leases under IFRS 16	-	-	(145,026)	(165,325)	(145,026)	(165,325)
Right-of-use assets	-	-	-	-	-	-
Temporary difference on leases under IFRS 16 Lease liabilities	152,443	165,357	-	-	152,443	165,357
Temporary difference on inventories	-	-	(4,595)	(866)	(4,595)	(866)
Temporary difference arising from other liabilities	14,914	20,181	-	-	14,914	20,181
Tax assets/(liabilities)	995,096	868,367	(6,704,937)	(5,636,860)	(5,709,841)	(4,768,493)
Set off of tax	(995,096)	(868,367)	995,096	868,367	-	-
Net tax liabilities	-	-	(5,709,841)	(4,768,493)	(5,709,841)	(4,768,493)

18 Deferred Tax Assets and Liabilities (Continued)

THE COMPANY	Assets		Liabilities		Balance	
	2025 €	2024 €	2025 €	2024 €	2025 €	2024 €
Property, plant and equipment	-	-	(74,758)	(79,341)	(74,758)	(79,341)
Intangible assets	-	-	(4,624,831)	(3,855,406)	(4,624,831)	(3,855,406)
Provision for exchange fluctuations	234,284	96,722	-	-	234,284	96,722
Temporary difference on expected credit losses under IFRS 9	186,885	213,267	-	-	186,885	213,267
Temporary difference on revenue previously recorded under IFRS 15	184,800	184,800	-	-	184,800	184,800
Temporary difference on leases under IFRS 16 Right-of-use assets	-	-	(122,693)	(131,895)	(122,693)	(131,895)
Temporary difference on leases under IFRS 16 Lease liabilities	139,550	147,020	-	-	139,550	147,020
Tax assets/(liabilities)	745,519	641,809	(4,822,282)	(4,066,642)	(4,076,763)	(3,424,833)
Set off of tax	(745,519)	(641,809)	745,519	641,809	-	-
Net tax liabilities	-	-	(4,076,763)	(3,424,833)	(4,076,763)	(3,424,833)

The deferred tax liability includes the temporary differences between the written down value and the net book value of the Group's and Company's assets.

The temporary difference on revenues previously recorded under IFRS 15 relates to a deferred tax asset under the Company arising from a past sale of a licence to RS2 Smart Processing Limited. In line with IFRS 15 requirements, such an implementation is not yet fully completed and hence a deferred tax element is arising, which is then eliminated upon consolidation.

Deferred tax assets have not been recognised in respect of tax losses and other temporary differences, until such time as more definitive information becomes available that sufficient tax profit will be available against which the Group can use the benefits therefrom. The temporary differences including unused tax losses for which no deferred tax asset is recognised at 31 December 2025 amounted to €15,674,633 (2024: €14,181,691), while the unabsorbed capital allowances for which no deferred tax asset is recognised at 31 December 2025 amounted to €4,260,318 (2024: €2,501,354).

18 Deferred Tax Assets and Liabilities (Continued)

Movement in temporary differences during the year are as follows:

THE GROUP	Balance 1 Jan 2024	Recognised in profit or loss	Balance 31 Dec 2024	Recognised in profit or loss	Balance 31 Dec 2025
	€	€	€	€	€
Property, plant and equipment	(169,192)	87,637	(81,555)	3,671	(77,884)
Intangible assets	(4,114,550)	(1,047,917)	(5,162,467)	(1,124,767)	(6,287,234)
Impairment loss on receivables	-	-	-	105,968	105,968
Provision for exchange fluctuations	236,748	(122,479)	114,269	162,457	276,726
Unabsorbed losses	4,587	23,617	28,204	26,306	54,510
Temporary difference on expected credit losses under IFRS 9	245,673	68,036	313,709	(113,372)	200,337
Temporary difference on leases under IFRS 16 Right-of-use assets	(153,414)	(11,911)	(165,325)	20,299	(145,026)
Temporary difference on leases under IFRS 16 Lease liabilities	146,515	18,842	165,357	(12,914)	152,443
Temporary difference on inventories	(4,439)	3,573	(866)	(3,729)	(4,595)
Temporary difference arising from other liabilities	22,992	(2,811)	20,181	(5,267)	14,914
	(3,785,080)	(983,413)	(4,768,493)	(941,348)	(5,709,841)

18 Deferred Tax Assets and Liabilities (Continued)

THE COMPANY	Balance 1 Jan 2024	Recognised in profit or loss	Balance 31 Dec 2024	Recognised in profit or loss	Balance 31 Dec 2025
	€	€	€	€	€
Property, plant and equipment	(167,294)	87,953	(79,341)	4,583	(74,758)
Intangible assets	(3,107,765)	(747,641)	(3,855,406)	(769,425)	(4,624,831)
Provision for exchange fluctuations	230,348	(133,626)	96,722	137,562	234,284
Temporary difference on expected credit losses under IFRS 9	223,676	(10,409)	213,267	(26,382)	186,885
Temporary difference on revenues previously recorded under IFRS 15	184,800	-	184,800	-	184,800
Temporary difference on leases under IFRS 16 Right-of-use assets	(133,098)	1,203	(131,895)	9,202	(122,693)
Temporary difference on leases under IFRS 16 Lease liabilities	146,515	505	147,020	(7,470)	139,550
	(2,622,818)	(802,015)	(3,424,833)	(651,930)	(4,076,763)

19 Trade and Other Payables

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Trade payables	1,077,724	808,333	624,752	423,289
Amounts due to customers	3,288,479	2,841,185	-	-
Other payables	560,171	154,697	352	170
Dividends payable	40,680	41,275	40,680	41,276
Other taxes and social securities	1,394,125	1,332,392	1,142,386	1,120,995
Amounts due to other related parties	-	13,570	5,861,391	4,236,314
	6,361,179	5,191,452	7,669,561	5,822,044

Amounts due to customers relates to RS2 Financial Services GmbH's restricted cash held in trust accounts and monies held by RS2 Software INC. for the benefit of its ISO customers (see Note 15).

Transactions with related parties are set out in Note 30 to these financial statements.

The Group's and the Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 6.

20 Accruals and Deferred Income

20.1 Accruals

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Accrued expenses owed to third parties	2,292,699	1,661,665	641,764	583,734
Amounts due to other related parties	474,464	477,320	799,260	423,075
	2,767,163	2,138,985	1,441,024	1,006,809

20.2 Deferred Income

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Current				
Contract liabilities owed to third parties	2,796,458	606,999	286,689	227,596
Contract liabilities owed to subsidiary	-	-	528,000	528,000
Contract liabilities owed to other related parties	320,420	327,377	320,420	327,377
	3,116,878	934,376	1,135,109	1,082,973

20 Accruals and Deferred Income (Continued)

20.2 Deferred Income (Continued)

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Category of activity				
License fees excluding customisation	-	-	480,000	480,000
Service fees, transaction processing and customisation	2,430,948	336,225	53,050	48,005
Maintenance fees	626,430	538,651	542,559	495,468
Comprehensive packages	59,500	59,500	59,500	59,500
	3,116,878	934,376	1,135,109	1,082,973

Significant changes in the contract liabilities balances during the period are as follows:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Balance at 1 January	934,376	954,878	1,082,973	1,143,061
Release of opening contract liabilities to revenue	(786,000)	(726,995)	(554,968)	(615,056)
Increases due to cash received, excluding amounts recognised as revenue during the year	2,957,157	713,716	605,603	554,968
Other movements	11,345	(7,223)	1,501	-
Balance at 31 December	3,116,878	934,376	1,135,109	1,082,973

No revenue is recognised in the current reporting period from performance obligations satisfied (or partially satisfied) in previous periods (2024: nil).

21 Revenue

21.1 Disaggregation of Revenue

Revenue is stated after deduction of sales rebates and indirect taxes and comprises revenue from contracts with customers (except for operating lease income).

In the following tables, revenue is disaggregated by category of activity and timing of revenue recognition. These also include a reconciliation of the disaggregated revenue with the Group's reportable segments.

Category of activity	Software (Licensing) solutions		Processing solutions		Issuing and Acquiring solutions (previously Merchant solutions)		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	€	€	€	€	€	€	€	€
License fees excluding customisation	4,867,330	5,343,893	-	-	-	-	4,867,330	5,343,893
Service fees, transaction processing and customisation	2,274,749	2,553,247	20,579,872	19,431,416	-	-	22,854,621	21,984,663
Maintenance fees	1,936,132	1,880,404	120,165	103,958	-	-	2,056,297	1,984,362
Comprehensive packages	714,000	714,000	4,484,716	3,847,569	-	-	5,198,716	4,561,569
Operating lease income	-	-	-	-	35,263	54,612	35,263	54,612
Issuing revenue	-	-	-	-	181,342	-	181,342	-
Acquiring revenue	-	-	-	-	5,081,561	3,607,934	5,081,561	3,607,934
	9,792,211	10,491,544	25,184,753	23,382,943	5,298,166	3,662,546	40,275,130	37,537,033

Timing of revenue recognition	Software (Licensing) solutions		Processing solutions		Issuing and Acquiring solutions (previously Merchant solutions)		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	€	€	€	€	€	€	€	€
At a point in time	-	-	327,152	436,931	80,372	128,688	407,524	565,619
Over time	9,792,211	10,491,544	24,857,601	22,946,012	5,217,794	3,533,858	39,867,606	36,971,414
	9,792,211	10,491,544	25,184,753	23,382,943	5,298,166	3,662,546	40,275,130	37,537,033

The revenue recognised in the Group's statements of profit or loss during the year ended 31 December 2025 in relation to implementation activities (without the sale of a license) which are considered to be a distinct performance obligation resulting in the transfer of a promised good or service to the customer, amounted to €5.1m (2024: €3.0m).

21 Revenue (Continued)

21.1 Disaggregation of Revenue (Continued)

The following table outlines the Company's revenue disaggregated by category of activity, all of which was recognised over time.

	2025	2024
	€	€
Category of activity		
Licence fees	3,182,955	3,563,354
Service fees	10,200,337	9,224,905
Maintenance fees	2,821,840	2,766,922
Comprehensive packages	714,000	714,000
	16,919,132	16,269,181

In the following tables, revenue is disaggregated by primary geographical markets. The below table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Software (Licensing) solutions		Processing solutions		Issuing and Acquiring solutions (previously Merchant solutions)		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Geographical markets	€	€	€	€	€	€	€	€
Europe	4,417,297	4,898,604	9,753,435	6,624,696	5,249,935	3,662,546	19,420,667	15,185,846
North America	4,867,329	5,081,393	10,342,700	10,590,515	48,231	-	15,258,260	15,671,908
Asia	435,048	419,269	2,093,958	3,648,031	-	-	2,529,006	4,067,300
South America	-	-	2,512,117	2,198,213	-	-	2,512,117	2,198,213
Middle East	72,537	92,278	482,543	321,488	-	-	555,080	413,766
	9,792,211	10,491,544	25,184,753	23,382,943	5,298,166	3,662,546	40,275,130	37,537,033

As outlined in the above table, the Group's revenue is mainly generated through sales transactions concluded with customers situated in Europe and North America (2024: Europe and North America).

The below table outlines the Company's revenue disaggregated by primary geographical markets.

	2025	2024
	€	€
Geographical markets		
Europe	10,463,044	9,126,652
North America	6,199,363	6,902,342
Asia	184,188	147,909
Middle East	72,537	92,278
	16,919,132	16,269,181

21 Revenue (Continued)

21.2 Contract Balances

The following table provides information about the Group's and the Company's receivables, contract assets and contract liabilities from contracts with customers.

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Receivables, which are included in 'Trade and other receivables'	10,009,362	5,490,532	21,340,167	18,708,642
Contract assets	4,291,577	1,194,908	310,529	193,343
Contract liabilities	(3,116,878)	(934,376)	(1,135,109)	(1,082,973)

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer. The contract liabilities primarily relate to the advance consideration received from customers, for which the revenue recognition criteria are not yet met. Once the transfer of control to the customer happens, the contract liability is then recognised as revenue.

21.3 Future Revenues

The following tables include revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at 31 December 2025 and 2024.

2025	THE GROUP			
	2026 €	2027 €	2028 and beyond €	Total €
License fees	-	-	-	-
Service fees	1,970,528	9,268	75,000	2,054,796

2025	THE COMPANY			
	2026 €	2027 €	2028 and beyond €	Total €
License fees	-	-	480,000	480,000
Service fees	-	-	48,000	48,000

21 Revenue (Continued)

21.3 Future Revenues (Continued)

2024	THE GROUP			
	2025	2026	2027 and beyond	Total
	€	€	€	€
License fees	-	-	-	-
Service fees	18,067	76,440	-	94,507

2024	THE COMPANY			
	2025	2026	2027 and beyond	Total
	€	€	€	€
License fees	-	14,400	465,600	480,000
Service fees	-	1,440	46,560	48,000

The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less. The Group also does not disclose information about the remaining performance obligations that have a fixed amount and for which the Group has a right to invoice the customer in the amount that corresponds directly with the value of the entity's performance completed to date in accordance with paragraph B16 of IFRS 15.

The above also excludes fees from transaction processing services that are recognised in terms of Note 4.10.2.

22 Profit Before Income Tax

The Group's and Company's profit before income tax includes total fees charged by the auditors of the Group and Company for:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Audit fee	211,440	217,773	205,940	212,623
Total fees payable for other assurance services	10,000	10,000	10,000	10,000
Total fees payable for non-audit services other than other assurance and tax advisory services	33,000	33,000	-	-
	254,440	260,773	215,940	222,623

The fees payable to other auditors of the subsidiaries in relation to audit services for 2025 amount to €122,096 (2024: €117,515).

22 Profit Before Income Tax (Continued)

22.1 Other Income

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Other income	257,368	975,956	82,196	34,780
Dividend income	-	-	-	825,163
	257,368	975,956	82,196	859,943

Other income for the year ended 31 December 2025 included a subsidy received from a card scheme in relation to an implementation fee incurred by the Group during the year as well as refunds in relation to maternity leave for the Company.

No research grants are included in the Group's 'Other income' line item for the year ended 31 December 2025 (2024: €947,053). The grants recorded in prior year did not include unfulfilled conditions or other forms of contingency. The Group did not benefit directly from any other forms of government assistance during 2025.

During the year ended 31 December 2024, the Company received dividends amounting to €825,163 from one of its subsidiaries through a set-off of outstanding invoices. No such dividends were received in the year ended 31 December 2025.

22.2 Other Expenses

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Fines and penalties	45,279	-	24,587	-
Loss on disposal of property, plant and equipment	-	5,154	-	-
Other expenses	32,255	33,502	-	22
	77,534	38,656	24,587	22

22.3 Exchange (Loss)/Gain on Operating Activities

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Unrealised operating exchange (losses)/gains	(1,259,948)	740,146	(392,883)	459,778
Realised operating exchange (losses)/gains	(486,650)	51,669	(409,957)	39,111
	(1,746,598)	791,815	(802,840)	498,889

22 Profit Before Income Tax (Continued)

22.3 Exchange (Loss)/Gain on Operating Activities (Continued)

22.3.1 Foreign Exchange Differences and Impact on Results

Nature of item: During the year ended 31 December 2025, the Group recognised a net foreign exchange loss of €1.7m (2024: net gain of €0.8m) arising from the retranslation of monetary assets and liabilities denominated in foreign currencies into euro, the Group's presentation currency. These differences are recognised in profit or loss in accordance with IAS 21 The Effects of Changes in Foreign Exchange Rates.

Reason for significance: The loss reflects the material depreciation of the US Dollar against the Euro during the year and the Group's increased net monetary exposure in that currency, primarily comprising third party trade receivables and intercompany balances. The magnitude of this item is considered material under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors due to its impact on the Group's financial performance, contributing to the reduction in profit before tax compared to prior year.

Presentation: Foreign exchange differences are presented as a separate line item in the consolidated statement of profit or loss. The Group's accounting policy for foreign currency translation is unchanged from prior years and is disclosed in Note 4.2.

Risk management and sensitivity: Information on the Group's exposure to foreign currency risk, including sensitivity analyses and details of the Group's risk management approach, is provided in Note 6.5.1, in accordance with IFRS 7 Financial Instruments: Disclosures.

22.4 Reversal of Impairment Loss/(Impairment Loss) on Trade Receivables and Contract Assets

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Reversal of impairment loss/ (impairment loss) on trade receivables and contract assets	22,854	(192,261)	75,376	29,738
Bad debts written off	-	(23)	-	-
	22,854	(192,284)	75,376	29,738

22 Profit Before Income Tax (Continued)

22.5 Expenses by Nature

	Notes	THE GROUP		THE COMPANY	
		2025 €	2024 €	2025 €	2024 €
Wages and salaries	26	19,980,002	21,617,221	8,510,042	9,277,946
Directors' emoluments	26	1,688,794	1,696,633	1,568,794	1,576,633
Non-competition benefits	26	79,236	68,378	70,352	60,871
Share-based arrangements	26	(106,190)	(482,286)	-	-
Post-employment benefits	26	23,003	16,133	-	-
Staff welfare		595,998	625,817	326,336	301,764
Subcontracted costs		1,012,327	1,009,487	4,729,773	4,637,844
Professional fees		834,676	1,122,567	170,873	188,407
Professional services		128,797	60,921	5,906	1,014
Consultancy fees		1,651,151	1,517,178	1,306,058	1,129,939
Audit fees		211,440	217,773	205,940	212,623
Accountancy fees		157,294	121,865	-	-
Water and electricity fees		151,057	181,938	70,295	70,475
Cleaning fees		171,523	149,653	56,860	61,603
Acquiring fees		2,830,802	2,012,428	-	-
Hosting services		1,494,483	1,165,367	-	-
Travelling expenses		541,638	458,064	114,529	132,648
Infrastructure costs		2,606,756	2,290,621	1,302,638	1,226,076
Advertising and promotion fees		404,695	73,773	155,111	56,603
Participation in fairs and seminars		19,656	39,196	5,116	6,178
Administrative subscriptions		112,429	150,929	81,950	122,036
Renewals of software licences		217,099	218,850	15,982	14,595
Card schemes		1,096,131	722,448	-	-
Telecommunication fees		147,709	187,516	69,870	75,428
Depreciation	8, 9	855,146	946,709	246,230	271,873
Amortisation	10	2,110,882	1,945,684	1,917,542	1,686,649
Insurance costs		1,001,030	920,380	134,245	134,169
Capitalised development costs (Reversal of impairment loss)/ impairment loss on trade receivables and contract assets	22.4	(3,640,040)	(3,251,287)	(3,956,203)	(3,542,059)
Recharge of expenses to intercompany		-	-	(1,316,092)	(1,343,546)
Other expenses		777,990	768,843	212,960	251,640
		37,132,660	36,765,083	15,929,731	16,581,671

Capitalised development costs include capitalised expenditure of direct labour and overhead costs that are directly attributable to enhancing the Group's product. This is recognised in profit or loss as incurred, as a reduction in expenses.

23 Finance Income and Finance Costs

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Bank interest income	3,112	2,769	38	28
Interest on loans receivable	-	-	99,189	127,744
Interest on finance lease	85,044	51,137	-	-
Other interest income	13,582			
Finance income	101,738	53,906	99,227	127,772
Bank interest expense	(327,815)	(361,859)	(327,815)	(361,859)
Non-operating unrealised exchange (loss)/gain	(21,277)	(1,037)	(665)	723
Interest expense on lease liabilities and retirement benefit obligation	(73,153)	(76,471)	(11,560)	(11,986)
Finance costs	(422,245)	(439,367)	(340,040)	(373,122)
Net finance costs	(320,507)	(385,461)	(240,813)	(245,350)

All the above items of finance income and cost are recognised in profit or loss.

24 Income Tax Expense

24.1 Recognised in Profit or Loss

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Current tax expense				
Current tax charge for the year	1,235,424	258,669	-	-
Withholding tax on interest received	4	4	4	3
	1,235,428	258,673	4	3
Deferred tax expense				
Origination and reversal of temporary differences	939,761	984,602	651,926	802,016
Income tax expense	2,175,189	1,243,275	651,930	802,019

24.2 Reconciliation of Effective Tax Rate

The income tax expense for the year and the result of the accounting profit multiplied by the tax rate applicable in Malta, the Company's country of incorporation, are reconciled as follows:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Profit before income tax	1,332,733	2,154,260	27,944	800,992
Income tax using the domestic income tax rate of 35%	466,457	753,991	9,780	280,347
Effect of tax rates in foreign jurisdictions	476,531	(538,650)	-	-
Tax effect of:				
Non-taxable income	(4,976)	(29,406)	-	-
Non-deductible expenses	-	6,291	8,605	(12,173)
Different tax rates on bank interest income	213	(5)	213	(5)
Taxable income that was previously determined to be non-deductible	30,703	(41,701)	-	-
Depreciation charges not deductible by way of capital allowances	-	294	-	-
Unrecognised deferred tax assets on unrelieved tax losses	81,863	(606,321)	-	-
Elimination of intercompany transaction	533,733	709,314	-	-
Other disallowed expenses	590,665	989,468	633,332	533,850
Income tax expense	2,175,189	1,243,275	651,930	802,019

25 Earnings Per Share

The calculation of basic earnings per share is calculated by dividing the profit attributable to owners of the Company (the numerator) by the weighted average number of ordinary shares outstanding during the year (the denominator).

The earnings used in the calculation is net of all expenses including taxes, minority interests and preference dividends on preference shares which do not meet the definition of ordinary shares for the purpose of this calculation. For the ordinary shares, the EPS was derived by dividing the loss of the Group of €860,611 (2024: profit of €43,768) and the loss of the Company of €593,662 (2024: loss of €977) by 218,403,701 (2024: 218,403,701), being the equivalent weighted-average number of shares outstanding during the year.

For preference shares, which meet the definition of another class of ordinary shares for the purpose of this calculation, the EPS was derived by dividing the loss of the Group of €43,959 (2024: profit of €2,236) and the loss of the Company of €30,324 (2024: loss of €50) by 10,141,649 (2024: 10,141,649), being the equivalent weighted-average number of shares outstanding during the year.

Earnings per ordinary share of the Group and the Company for the year ended 31 December 2025 amounted to negative €0.004 (2024: €0.000) and negative €0.003 (2024: €0.000) respectively. Earnings per preference share of the Group and the Company for the same reporting period amounted to negative €0.004 (2024: €0.000) and negative €0.003 (2024: €0.000) respectively.

Due to the variable element on the preference share entitlement, on the basis of trends in the current share price, an assumption has been taken where the preference dividend will not exceed 10% of the dividend on the ordinary shares.

26 Personnel Expenses

Personnel expenses incurred by the Group and the Company during the year are analysed as follows:

	Note	THE GROUP		THE COMPANY	
		2025 €	2024 €	2025 €	2024 €
Directors' emoluments:					
Fees		377,500	354,470	377,500	354,470
Remuneration		1,124,885	1,124,340	1,004,885	1,004,340
Indemnity insurance		92,908	88,391	92,908	88,391
Fringe benefits		93,501	93,432	93,501	93,432
Key management personnel emoluments:					
Remuneration		2,484,119	2,375,857	1,080,531	1,075,379
Non-competition benefits	27	79,236	68,378	70,352	60,871
Share-based arrangements	28	(106,190)	(145,827)	-	-
Fringe benefits		16,437	18,163	13,437	15,163
		4,162,396	3,977,204	2,733,114	2,692,046
Other personnel emoluments:					
Wages and salaries		15,752,117	17,564,370	6,864,049	7,682,363
Social security contributions		1,727,329	1,694,831	552,025	541,041
Share-based arrangements	28	-	(336,459)	-	-
Post-employment benefits	27	23,003	16,133	-	-
		21,664,845	22,916,079	10,149,188	10,915,450

Personnel expenses incurred during the year include share-based arrangements. Other personnel expenses included in the above table are short-term in nature. Personnel expenses incurred during the year do not include long-term employment benefits nor employment termination benefits.

The weekly average number of persons employed by the Group and the Company during the year were as follows:

	THE GROUP		THE COMPANY	
	2025 No.	2024 No.	2025 No.	2024 No.
Operating	326	333	190	194
Management and administration	67	77	43	44
	393	410	233	238

27 Post-Employment Benefits

The Group has non-competition post-employment benefits and retirement benefits obligations.

The cost of providing for these post-employment benefits is determined using the projected unit credit method, with estimations being carried out at each reporting date. The movement in the liability is as follows:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Post-employment liabilities				
Present value at 1 January	3,549,180	3,464,180	3,077,064	3,036,968
Recognised in profit or loss:				
Discount unwind	79,236	68,378	70,352	60,871
Current service cost for the year	23,003	16,133	-	-
Interest cost for the year	5,107	2,870	-	-
Recognised in other comprehensive income:				
Remeasurement adjustment	(105,302)	(4,742)	(69,119)	(20,775)
Other movements:				
Benefits paid	(150,272)	-	(150,272)	-
Reversal on post-employment benefits	(9,365)	-	(9,365)	-
Effects of movement in exchange rates	(12,151)	2,361	-	-
Present value at 31 December	3,379,436	3,549,180	2,918,660	3,077,064

Balances as at 31 December 2025 are deemed to fall due after more than one year. The re-measurement adjustment for the Group and Company (excluding the retirement benefit obligation) is as a result of financial actuarial gains resulting from adjustments to the inputs disclosed further in Note 27.1. In case of the retirement benefit obligation, the gain on obligation is as a result of changes in financial assumptions and experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred).

27 Post-Employment Benefits (Continued)

27.1 Non-competition post-employment benefits

Non-competition post-employment benefits due to employees holding senior management positions are payable upon cessation based on an agreed fixed amount or the then applicable annual salary. Such benefits are commensurate to the non-compete clauses which bind personnel not to compete with the Company, or its subsidiaries, for periods ranging between one and three years. This liability is recognised in the statement of financial position and represents the present value of the defined benefit obligation as at 31 December 2025 based on the following:

- i) Discount rate, determined by reference to market yields at the end of the reporting period. This discount rate is used to discount the liability to the net present value;
- ii) The expectation of the respective employees' termination date; and
- iii) The expected future salary growth in line with the Group's policies.

The discount rate is based on market yields arising on high-quality Corporate Bonds. Such yields are denominated in the currency in which the benefits will be paid and have terms to maturity approximating the estimated termination date. The Directors consider such rates to be an appropriate proxy to a high-quality corporate bond.

When estimating the expected years to retirement, the Directors considered the current age and the expected retirement age of key management personnel. An average of the remaining number of years each member of key management personnel is expected to work until retirement age, is deemed to be a more realistic period to consider compared to other terms.

A reasonable growth rate was used when determining the future salary growth rates to be deployed in the valuation model, which assumption considered the general percentage increases of the more recent years and also the Group's budgeted projections.

The movement in the non-competition post-employment benefits is as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Post-employment liabilities				
Present value at 1 January	3,456,252	3,415,663	3,077,064	3,036,968
Recognised in profit or loss:				
Discount unwind	79,236	68,378	70,352	60,871
Recognised in other comprehensive income:				
Remeasurement adjustment	(88,205)	(27,789)	(69,119)	(20,775)
Other movements:				
Benefits paid	(150,272)	-	(150,272)	-
Reversal on post-employment benefits	(9,365)	-	(9,365)	-
Present value at 31 December	3,287,646	3,456,252	2,918,660	3,077,064

27 Post-Employment Benefits (Continued)

27.1 Non-competition post-employment benefits (Continued)

The significant assumptions applied by the Company in respect of post-employment benefits were as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
Discount rates	2.45%	2.00%	2.45%	2.00%
Expected years to termination (weighted average)	5.12 yrs	5.49 yrs	5.13 yrs	5.49 yrs
Rate of projected salary Increase	3%	3%	3%	3%

Due to the nature of the assumptions, in accordance with the provisions of IAS 19, the Group and the Company did not involve a qualified actuary in the measurement of their post-employment benefit obligations. The Group and the Company are providing sensitivity analysis in connection with the key assumptions applied for the post-employment benefits (excluding the retirement benefit obligation) (Note 27.1) and the retirement benefit obligation (Note 27.2). This analysis is prepared at the end of each reporting period and shows how the liability would be affected by such hypothetical changes in the assumptions that were reasonably possible at that date, while holding all other assumptions constant. The below sensitivity is for illustrative purposes only and may not be representative of the actual changes in the post-employment benefits obligation. This is due to the fact that it is unlikely that a change in assumptions would occur in isolation of one another.

- If the discount rate is 100 basis points higher (lower) with all other assumptions held constant, the net present value of the post-employment benefit obligation decreases by €143,222 (increases by €151,654) at Company level and decreases by €161,116 (increases by €170,507) at Group level.
- If the expected years to termination increases (decreases) by two years with all other assumptions held constant, the net present value of the post-employment benefit obligation increases by €15,157 (decreases by €25,558) at Company level and increases by €19,038 (decreases by €29,398) at Group level.
- If the salaries of key management personnel increase (decrease) by an additional 1% over the budgeted increase with all other assumptions held constant, the net present value of the post-employment benefit obligation increases by €140,872 (decreases by €136,836) at Company level and increases by €159,161 (decreases by €154,429) at Group level.

27 Post-Employment Benefits (Continued)

27.2 Retirement benefit obligation

For RS2 Software APAC Inc., RA 7641 under Philippines law provides for the minimum retirement pay to qualified private sector employees in the Philippines. Benefits due under RA 7641 are accounted for as defined benefit plan under IAS 19. An employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year. The Group is in compliance of the minimum requirement of RA 7641 as at 31 December 2025 and has a non-contributory defined benefit plan for its employees.

An actuary has been engaged to compute the valuation of the RS2 Software APAC Inc. Employees' Retirement Plan considering the existing employee data and the minimum retirement benefits under the law. This liability is recognised in the statement of financial position and represents the present value of the defined benefit obligation as at 31 December 2025 based on the following:

- i) Discount rate at the end of the reporting period. This discount rate is used to discount the liability to the net present value;
- ii) The expectation of the respective employees' termination date; and
- iii) The expected future salary growth in line with the Group's policies.

The significant assumptions applied by the Group in respect to the retirement benefit obligation were as follows:

	THE GROUP	
	2025	2024
Discount rates	6.14%	5.94%
Rate of projected salary increase	4%	5%

Amounts recognised in profit or loss in respect of these defined plans are as follows:

	THE GROUP		THE COMPANY	
	2025	2024	2025	2024
	€	€	€	€
Service cost:				
Current service cost	23,003	16,133	-	-
Net interest expense	5,107	2,870	-	-
Components of defined benefit cost recognised in profit or loss	28,110	19,003	-	-

The current service cost has been included in profit or loss as cost of sales and the net interest expense has been included within finance cost (Note 23). The remeasurement of the net defined benefit liability is included in other comprehensive income.

27 Post-Employment Benefits (Continued)

27.2 Retirement benefit obligation (Continued)

Amounts recognised in other comprehensive income are as follows:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Actuarial gains and losses from changes in financial assumptions	(23,377)	33,549	-	-
Actuarial gains and losses arising from experience adjustments	6,280	(10,126)	-	-
Remeasurement of the net defined benefit liability	(17,097)	23,423	-	-

The remeasurement of the net defined benefit liability is net of deferred tax amounting to negative €841 (2024: positive €934).

The amount included in the statement of financial position arising from the group's obligations in respect of its defined benefit retirement benefit plans is as follows:

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Present value of obligation	103,941	90,567	-	-
Effects on movement on exchange rates	(12,151)	2,361	-	-
Net liability arising from defined benefit obligation	91,790	92,928	-	-

In presenting this sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statements of financial position.

- If the discount rate is 50 basis points higher (lower) with all other assumptions held constant, the net present value of the post-employment benefit obligation decreases by €7,576 (increases by €8,429) at Group level.
- If the salaries of employees increase (decrease) by an additional 100 basis points over the budgeted increase with all other assumptions held constant, the net present value of the post-employment benefit obligation increases by €17,652 (decreases by €14,516) at Group level.

28 Share-Based Payment Arrangements

At 31 December 2025, the Group had the following share-based payment arrangements.

28.1 RS2 Employee Share Option Scheme (Equity-Settled)

An RS2 Employee Trust was set up during the year ended 31 December 2010 to purchase and hold 750,000 ordinary shares in the Company in order to satisfy the future exercise of options by employees in accordance with the scheme.

The number of shares in respect of which share options were granted under the Scheme in a three (3) year period was limited to 2% of the then issued share capital of the Company (850,000 shares). Options were exercisable at any time up to eight (8) years from the date on which the options are granted and the scheme was implemented during 2011, being the first year of performance, and 2013, being the last year of performance.

This RS2 Employee Share Option Scheme expired in February 2022. The unexercised shares are no longer available to be exercised by the employees. The shares held by the trust as at 31 December 2025 amounted to 511,856 (2024: 511,856).

28.2 Performance-Related Share-Based Payment (Cash-Settled)

In terms of agreements entered into in March 2019, five management personnel of RS2 Software INC. were granted 5,626 share options in the subsidiary (the 'share options'), with certain vesting conditions. The weighted average exercise price amounts to USD 7.12.

The share options shall vest to 75% after not less than three but not more than four years of continued service completed since the grant date and to 100% after not less than four years of continued service are completed since the grant date. Options will become fully exercisable and vested as of the time of a Change in Control with the requirement to forfeit share options (vested and unvested) in the case of termination for cause. Upon termination, all shares issued upon exercise of the options shall be subject to a call option by the company to repurchase at fair market value. Based on the terms of the contracts, it is concluded that the company has a present obligation to settle in cash, hence their classification as cash-settled share-based payment arrangements.

By December 2020, three of the five individuals terminated their employment, while the remaining two individuals signed an amendment to the original agreement granting the share options to be effective from their respective employment start date. In 2024, one of these two remaining individuals terminated employment and received an amount of €46,194 (USD 50,000) in exchange for the 938 share options held. Therefore, from the total allocated share options, 625 share options remain in effect as at 31 December 2025 (2024: 625 share options).

The key assumptions used in the calculation of the value of the cash-settled share-based awards for the remaining one management personnel (2024: one management personnel) of RS2 Software INC. are the forecasted net cash flows and the discount rate used in a risk-adjusted cash flow forecast, with the pre-tax discount rate used being 17.7% (2024: 21.3%).

The outstanding share options were fully vested by 31 December 2025 (2024: 100%).

28 Share-Based Payment Arrangements (Continued)

28.2 Performance-Related Share-Based Payment (Cash-Settled) (Continued)

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Current liabilities				
Share-based payments	39,243	159,884	-	-

29 Capital Commitments

The Group and the Company have no capital commitments in 2025 and 2024.

30 Related Parties

30.1 Parent and Ultimate Controlling Party

The Company is owned by ITM Holding Limited, a local registered company which holds 50.27% (2024: 50.27%) of ordinary shares in RS2 p.l.c. ITM's registered office is 66, Old Bakery Street, Valletta, Malta. The ultimate parent company of the Group is RS2 Holding GmbH, a company registered in Germany. In his capacity as ultimate shareholder of ITM, Radi Abd El Haj indirectly holds 50.27% (2024: 50.27%) of the issued ordinary share capital and directly holds 7.2% (2024: 7.2%) of the issued preference share capital of the Company.

Given that the Preference Shareholders shall not, save for specific circumstances as documented in the Company's Memorandum and Articles of Association, have the right to vote at any general meeting of the Company, as disclosed in Note 16.1, as a result, the voting rights vested in the Ordinary Shareholders were not diluted as a consequence of the preference share issuance that happened in 2021.

30.2 Identity of Related Parties

The Company has a related party relationship with its parent company, its subsidiaries, the Company's key management personnel (including its Directors and the Company's senior management), entities having significant influence in the Company through shareholding and directorship, as well as entities in which the Directors or their immediate relatives have an ownership interest and management entities that provide key management personnel services to the Group ("other related parties"). The compensation of such management entities amounts to €51,833 (2024: €64,568) and is included in the table below as part of the legal and administrative services.

Up till the financial year ended 31 December 2024, the Company used the legal services of GTG Advocates in relation to advice given to the Company. Amounts were billed based on normal market rates for such services and were due and payable under normal payment terms. During the same year ended 31 December 2024, the Company also used consultancy services by one of the Directors amounting to €17,347.

Directors of the Company hold directly and indirectly 51.6% (2024: 51.6%) of the voting shares of the Company.

30 Related Parties (Continued)

30.3 Related Party Transactions

	THE GROUP		THE COMPANY	
	2025 €	2024 €	2025 €	2024 €
Subsidiaries				
Support services provided to	-	-	12,245,108	11,130,456
Support services provided by	-	-	(4,729,773)	(4,637,844)
Other related parties				
Depreciation charge on right-of-use asset	251,419	251,419		-
Interest expense on lease liability	24,977	30,416		-
Legal and administrative services provided by	134,519	171,157	82,686	106,589
Support services provided to	2,930,256	3,191,356	2,930,256	3,191,356
Support services not yet invoiced provided to	207,531	188,319	207,531	188,319

30.4 Related Party Balances

The Group and Company enter into transactions with key management personnel during the course of their normal business. Transactions with key management personnel are set out in Notes 26 and 28 to these financial statements but are not included in Note 30.3. Additional information on amounts due to/by related parties is set out in Notes 13, 14, 19 and 20 to these financial statements. Such amounts due to/by related parties are unsecured, repayable on demand and do not bear any interest other than disclosed in those notes. In addition, as further disclosed in Note 9.1.4, the Group has agreements for leased properties in Neu-Isenburg, Germany, with a related party. As at 31 December 2025, ROU assets amounting to €1,023,064 (2024: €1,274,483) and lease liabilities amounting to €1,074,805 (2024: €1,325,829) relating to this lease are included within the Group's Statements of Financial Position. The depreciation charge for the year in relation to this asset amounts to €251,419 (2024: €251,419) and the interest expense for the year in relation to this lease liability amounted to €24,977 (2024: €30,416).

31 Cash flow information

31.1 Non-cash investing and financing information

The Company had no material non-cash investing and financing activity-related transactions for the years ended 31 December 2025 and 2024, except for the following:

- In 2025, the Company recognised additional right-of-use assets amounting to €nil (2024: €22,360) – Note 9.
- Outstanding cash dividends at 31 December 2025 amounted to €40,680 (2024: €41,276) – Note 19.
- In 2024, cash dividend amounting to €825,163 was received from a subsidiary company and that was set-off against the Company's payables balance due to this subsidiary.

The Group had no material non-cash investing and financing activity-related transactions for the years ended 31 December 2025 and 2024, except for the following:

- In 2025, the Group recognised additional right-of-use assets amounting to €18,519 (2024: €781,534) – Note 9.
- The Group recognised additional finance lease receivable amounting to €141,465 in 2025 (2024: €123,372). This amount has come from reclassifying a portion of the Group's inventory – Note 9.
- Outstanding cash dividends at 31 December 2025 amounted to €40,680 (2024: €41,275) – Note 19.

31 Cash flow information (Continued)

31.1 Non-cash investing and financing information (Continued)

The tables below details changes in the Group's liabilities arising from financing activities as at 31 December 2025 and 2024:

Group	31 December 2024 €	Interest charged €	Interest paid €	Acquisition of right-of- use assets €	Payment of lease liabilities €	Payment of bank borrowings €	Employee Share Benefits €	Foreign Currency Translation Reserve €	31 December 2025 €
Bank borrowings	177,899	634	(1,186)	-	-	(177,347)	-	-	-
Lease liabilities	2,550,092	68,046	(68,046)	18,519	(510,142)	-	-	(67,264)	1,991,205
Employee benefits	159,884	-	-	-	-	-	(106,190)	(14,451)	39,243

Group	31 December 2023 €	Interest charged €	Interest paid €	Acquisition of right-of- use assets €	Payment of lease liabilities €	Payment of bank borrowings €	Employee Share Benefits €	Payment of share options €	Foreign Currency Translation Reserve €	31 December 2024 €
Bank borrowings	691,816	24,504	(27,704)	-	-	(510,717)	-	-	-	177,899
Lease liabilities	2,268,299	73,601	(73,601)	772,167	(488,799)	-	-	-	(1,575)	2,550,092
Employee benefits	624,567	-	-	-	-	-	(437,964)	(46,194)	19,475	159,884

31 Cash flow information (Continued)

31.1 Non-cash investing and financing information (Continued)

The tables below details changes in the Company's liabilities arising from financing activities as at 31 December 2025 and 2024:

Company	31 December 2024	Interest charged	Interest paid	Payments of lease liabilities	Payment of bank borrowings	31 December 2025
	€	€	€	€	€	€
Bank borrowings	177,899	634	(1,186)	-	(177,347)	-
Lease liabilities	420,057	11,560	(11,560)	(21,342)	-	398,715

Company	31 December 2023	Interest charged	Interest paid	Acquisition of right-of-use assets	Payments of lease liabilities	Payment of bank borrowings	31 December 2024
	€	€	€	€	€	€	€
Bank borrowings	691,816	24,504	(27,704)	-	-	(510,717)	177,899
Lease liabilities	418,614	11,986	(11,986)	22,360	(20,917)	-	420,057

32 Comparative Information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's disclosure format for the purpose of compliance with the International Financial Reporting Standards, and the requirements of the Maltese Companies Act (Cap. 386).

In Note 22.5, under both Group and Company, a reclassification of €36,000 has been performed between the below two line items to align with current year presentation.

	THE GROUP		THE COMPANY	
	2024 (restated) €	2024 (as reported) €	2024 (restated) €	2024 (as reported) €
Wages and salaries	21,617,221	21,653,221	9,277,946	9,313,946
Directors' emoluments	1,696,633	1,660,633	1,576,633	1,540,633

In Note 26, for both Group and Company, an amount of €122,979 has been reclassified from "Fees" to "Remuneration". Moreover, an amount of €18,000 has also been reclassified from "Fees" to "Fringe benefits" to align with current year presentation.

	THE GROUP		THE COMPANY	
	2024 (restated) €	2024 (as reported) €	2024 (restated) €	2024 (as reported) €
Directors' emoluments:				
Fees	354,470	495,449	354,470	495,449
Remuneration	1,124,340	1,001,361	1,004,340	881,361
Fringe benefits	93,432	75,432	93,432	75,432

33 Subsequent Events

The financial statements were authorised for issue by the Board of Directors on 23 April 2026. Subsequent to the reporting date, geopolitical tensions involving the United States and Iran escalated into a conflict. Management considers this to be a non-adjusting event after the reporting period. At this point in time, the Group conducts no business with Iran.

The Group's operations in the United States, through its subsidiary RS2 Software INC., are heavily focused on domestic volume, specifically providing acquiring processing for ISOs, acquirers, and PayFacs that serve US-based merchants. Particularly, the Group's largest client in the region is also oriented primarily towards domestic customers. Given this domestic market focus, Management does not anticipate any direct impact on the Group's business operations or financial position at this point in time, unless the conflict triggers a broader economic downturn. While Management is aware of the potential for additional compliance monitoring, no direct risks are foreseen, though the situation continues to be monitored closely.

33 Subsequent Events (Continued)

Furthermore, in light of these escalating global conflicts, the Group recognises a generally heightened risk environment regarding state-sponsored cyber warfare and advanced persistent threats. As the financial sector remains a primary target, the Group continues to monitor these global developments in real-time, proactively evaluating its operational resilience to ensure that its defensive architecture and incident management protocols remain robust.

While no immediate business disruptions are expected, the Board of Directors remains mindful of the broader indirect risks associated with such geopolitical conflicts, including global price hikes, rising inflation, and potential digital disruption, and will continue to evaluate the macroeconomic landscape.

Independent Auditors` Report



Independent auditor's report

to the members of

RS2 p.l.c

Report on the Audit of the Financial Statements

Opinion

We have audited the individual financial statements of RS2 p.l.c. (the Company) and the consolidated financial statements of the Company and its subsidiaries (together, the Group), set out on pages 52 to 180, which comprise the statements of financial position of the Company and the Group as at 31 December 2025, and the statements of profit or loss, the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Company and the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2025, and of the Company's and the Group's financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants including International Independence Standards* (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the financial statements of public interest entities in Malta. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In conducting our audit, we have remained independent of the Company and the Group and have not provided any of the non-audit services prohibited by article 18A(1) of the Maltese Accountancy Profession Act (Cap. 281).

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Independent auditor's report (continued)

to the members of

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. The key audit matters described below were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing of goodwill relating to the Group's US and German operations recognised in the consolidated financial statements.

Under IFRSs, the Group is required to annually test the amount of goodwill recognised in the consolidated financial statements for impairment. These impairment tests are significant to our audit because the amount of goodwill as at 31 December 2025 relating to the Group's US operations amounted to *EUR0.6m* and the amount of goodwill that arose on the acquisition of Kalicom business in Germany amounted to *EUR1.3m* and these amounts are material to the consolidated financial statements. In addition, the directors' assessment process is highly judgmental and is based on assumptions, such as forecasted business growth rates, profit margins, weighted average cost of capital and effective tax rates, which are affected by expected future market or economic conditions.

Our audit procedures to address the risk of material misstatement on this matter included:

- Evaluating the design and implementation of key controls surrounding the Group's impairment assessment process.
- Involving an internal valuation specialist to assess the Group's impairment testing methodology determined from value-in-use calculations and the key assumptions applied by the directors for this purpose.
- Performing scenario analysis of the impairment testing calculations to changes in key inputs such as the projected growth rate and the weighted average cost of capital.
- Reviewing the impairment testing calculations for reasonability, mathematical accuracy and consistency.

We also focused on the adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

The Group's disclosures about goodwill are included in note 10, which specifically explains that the directors have assessed the carrying amount of goodwill as at 31 December 2025 to be recoverable and that there is no impairment in the value of the goodwill.

Independent auditor's report (continued)

to the members of

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Impairment testing of investment in US subsidiary and German subsidiary held by the Company in the individual financial statements

As at 31 December 2025, the Company held an investment with a carrying amount of *EUR11.7m* in its US subsidiary, RS2 Software Inc. The Company performed an impairment assessment of its investment in this subsidiary by computing its value-in-use in conjunction with the testing of impairment of goodwill arising on the US operations.

In addition, as at 31 December 2025, the Company also held an investment with a carrying amount of *EUR10.3m* in the German intermediate holding company, RS2 Merchant Services Europe GmbH. The Company performed an impairment assessment of its investment in this subsidiary by computing the value-in-use arising from the two subsidiaries held by RS2 Merchant Services Europe GmbH, comprising the business of RS2 Zahlungssysteme GmbH (previously Kalicom Zahlungssysteme KG) and the acquiring business being developed by RS2 Financial Services GmbH.

The carrying amount of these investments are material to the Company's financial statements and the directors' assessment process is highly judgmental and is based on assumptions, such as forecast business growth rates, profit margins, weighted average cost of capital and effective tax rates, which are affected by expected future market or economic conditions.

Our procedures to address the risk of material misstatement arising on this matter included:

- Evaluating the design and implementation of key controls surrounding the Company's impairment assessment process.
- Involving an internal valuation specialist to assess the Company's impairment testing methodology determined from value-in-use calculations and the key assumptions applied by the directors for this purpose.
- Performing scenario analysis of the impairment testing calculations to changes in key inputs such as the projected growth rate and the weighted average cost of capital.
- Reviewing the impairment testing calculations for reasonability, mathematical accuracy and consistency.

We also focused on the adequacy of the Company's disclosures in notes 10 and 11 about the key assumptions that were used in the value-in-use calculations which have the most significant effect on the determination of the recoverable amount of the investments in subsidiaries. The disclosures state that the recoverable amount of each of these investments in subsidiaries was determined by the Company to be higher than its carrying amount.

Independent auditor's report (continued)

to the members of

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Other Information

The directors are responsible for the other information. The other information comprises (i) the Who We Are section, (ii) the Chairman's statement, (iii) the CEO's statement, (iv) the Board of Directors' section, (v) the Corporate Social Responsibility section, (vi) the Directors' Report, (vii) the Corporate Governance Statement of Compliance, (viii) the Remuneration Report required under Rule 12.26K of the Capital Markets Rules, (viii) the Statement of Directors pursuant to Capital Market Rule 5.68, (ix) Company Information and (x) the Directors' responsibilities for the financial statements, which we obtained prior to the date of this auditor's report.

However, the other information does not include the individual and consolidated financial statements, our auditor's report and the relevant tagging applied in accordance with the requirements of the European Single Electronic Format, as defined in our *Report on Other Legal and Regulatory Requirements*.

Except for our opinions on the Directors' Report in accordance with the Maltese Companies Act (Cap. 386), and on the Corporate Governance Statement of Compliance and on the Remuneration Report in accordance with the Capital Markets Rules issued by the Malta Financial Services Authority, our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386), and the statement required by Rule 5.62 of the Capital Markets Rules on the Company's and the Group's ability to continue as a going concern.

In accordance with the requirements of sub-article 179(3) of the Maltese Companies Act (Cap. 386) in relation to the Directors' Report on pages 22 to 34, in our opinion, based on the work undertaken in the course of the audit:

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

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

Independent auditor's report (continued)

to the members of

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Responsibilities of the Directors and the Audit Committee for the Financial Statements

As explained more fully in the Statement of Directors' responsibilities on page 50, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the European Union and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as they 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 and the Group'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 and/or the Group or to cease operations, or have no realistic alternative but to do so.

The directors have delegated the responsibility for overseeing the Company's and the Group's financial reporting process to the Audit Committee.

Auditor's Responsibilities for the Audit of the Financial Statements

This report, including the opinions set out herein, has been prepared for the Company's members as a body in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386).

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 opinions in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386). Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In terms of article 179A(4) of the Maltese Companies Act (Cap. 386), the scope of our audit does not include assurance on the future viability of the Company and the Group or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the Company and the Group. The financial position of the Company and/or the Group may improve, deteriorate, or otherwise be subject to change as a consequence of decisions taken, or to be taken, by the management thereof, or may be impacted by events occurring after the date of this opinion, including, but not limited to, events of force majeure.

As such, our audit report on the Company's and the Group's historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Company and/or the Group, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Company and/or the Group. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Company and/or the Group and to identify any facts or circumstances that may be materially relevant thereto.

Independent auditor's report (continued)

to the members of

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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group'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 and the Group'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 Company and/or the Group to cease to continue as a going concern. Accordingly, in terms of generally accepted auditing standards, the absence of any reference to a material uncertainty about the Company's and/or the Group's ability to continue as a going concern in our auditor's report should not be viewed as a guarantee as to the Company's and/or the Group's ability 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report (continued)

to the members of

RS2 p.l.c

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- For the avoidance of doubt, any conclusions concerning the adequacy of the capital structure of the Company, including the formulation of a view as to the manner in which financial risk is distributed between shareholders and/or creditors cannot be reached on the basis of these financial statements alone and must necessarily be based on a broader analysis supported by additional information.

We communicate with the Audit Committee 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.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the individual and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on compliance of the Annual Financial Report with the requirements of the European Single Electronic Format Regulatory Technical Standard as specified in the Commission Delegated Regulation (EU) 2019/815 (the "ESEF RTS")

Pursuant to Capital Markets Rule 5.55.6 issued by the Malta Financial Services Authority, we have undertaken a reasonable assurance engagement in accordance with the requirements of the *Accountancy Profession (European Single Electronic Format) Assurance Directive* issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281), hereinafter referred to as the "ESEF Directive 6", on the annual financial report of the Company and the Group for the year ended 31 December 2025, prepared in a single electronic reporting format.

Solely for the purposes of our reasonable assurance report on the compliance of the annual financial report with the requirements of the ESEF RTS, the "Annual Financial Report" comprises the Directors' Report, Directors' responsibilities for the Financial Statements, the Corporate Governance Statement of Compliance, the annual financial statements, Company Information, and the Independent auditor's report, as set out in Capital Markets Rules 5.55.

Independent auditor's report (continued)

to the members of

RS2 p.l.c

Responsibilities of the Directors for the Annual Financial Report

The directors are responsible for:

- the preparation and publication of the Annual Financial Report, including the individual and consolidated financial statements and the relevant tagging requirements therein, as required by Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS,
- designing, implementing, and maintaining internal controls relevant to the preparation of the Annual Financial Report that is free from material non-compliance with the requirements of the ESEF RTS, whether due to fraud or error,

and consequently, for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic reporting format.

Auditor's responsibilities for the Reasonable Assurance Engagement

Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the consolidated financial statements and the relevant electronic tags therein comply, in all material respects, with the ESEF RTS, based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

The nature, timing and extent of procedures we performed, including the assessment of the risks of material non-compliance with the requirements of the ESEF RTS, whether due to fraud or error, were based on our professional judgement and included:

- Obtaining an understanding of the Company's and the Group's internal controls relevant to the financial reporting process, including the preparation of the Annual Financial Report, in accordance with the requirements of the ESEF RTS, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Obtaining the Annual Financial Report and performing validations to determine whether the Annual Financial Report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Annual Financial Report to determine whether all the required tags therein have been applied and evaluating the appropriateness, in all material respects, of the use of such tags in accordance with the requirements of the ESEF RTS.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

Independent auditor's report (continued)

to the members of

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Auditor's responsibilities for the Reasonable Assurance Engagement (continued)

Reasonable Assurance Opinion

In our opinion, the Annual Financial Report for the year ended 31 December 2025 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

This reasonable assurance opinion only covers the transfer of the information in the Annual Financial Report into a single electronic reporting format as required by the ESEF RTS, and therefore does not cover the information contained in the Annual Financial Report.

Report on Corporate Governance Statement of Compliance

Pursuant to Rule 5.94 of the Capital Markets Rules issued by the Malta Financial Services Authority, the directors are required to include in the Company's Annual Financial Report a Corporate Governance Statement of Compliance explaining the extent to which they have adopted the *Code of Principles of Good Corporate Governance* set out in Appendix 5.1 to Chapter 5 of the Capital Markets Rules, and the effective measures that they have taken to ensure compliance with those principles. The Corporate Governance Statement of Compliance is to contain at least the information set out in Rule 5.97 of the Capital Markets Rules.

Our responsibility is laid down by Rule 5.98 of the Capital Markets Rules, which requires us to include a report to shareholders on the Corporate Governance Statement of Compliance in the Company's Annual Financial Report.

We read the Corporate Governance Statement of Compliance and consider the implications for our report if we become aware of any information therein that is materially inconsistent with the financial statements or our knowledge obtained in the audit, or that otherwise appears to be materially misstated. We also review whether the Corporate Governance Statement of Compliance contains at least the information set out in Rule 5.97 of the Capital Markets Rules.

We are not required to, and we do not, consider whether the directors' statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

In our opinion, the Corporate Governance Statement of Compliance set out on pages 35 to 43 has been properly prepared in accordance with the requirements of Rules 5.94 and 5.97 of the Capital Markets Rules.

Report on Remuneration Report

Pursuant to Rule 12.26K of the Capital Markets Rules issued by the Malta Financial Services Authority, the directors are required to draw up a Remuneration Report, whose contents are to be in line with the requirements listed in Appendix 12.1 to Chapter 12 of the Capital Markets Rules.

Our responsibility is laid down by Rule 12.26N of the Capital Markets Rules, which requires us to check that the information that needs to be provided in the Remuneration Report, as required in terms of Chapter 12 of the Capital Markets Rules, including Appendix 12.1, has been included.

Independent auditor's report (continued)

to the members of

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Report on Remuneration Report (continued)

In our opinion, the Remuneration Report set out on pages 44 to 47 includes the information that needs to be provided in the Remuneration Report in terms of the Capital Markets Rules.

Matters on which we are required to report by exception under the Companies Act

Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

We have nothing to report to you in respect of these responsibilities.

Auditor tenure

We were first appointed by the members of the Company to act as statutory auditor of the Company and the Group on 19 June 2018 for the financial year ended 31 December 2018, and were subsequently reappointed as statutory auditors by the members of the Company on an annual basis. The period of total uninterrupted engagement as statutory auditor including previous reappointments of the firm is eight financial years.

Consistency of the audit report with the additional report to the Audit Committee

Our audit opinion is consistent with the additional report to the Audit Committee in accordance with the provisions of Article 11 of the EU Audit Regulation No. 537/2014.

The audit was drawn up on 23 April 2026 and signed by:

Antoine Carabott as Director
for and on behalf of
Deloitte Audit Limited
Registered auditor

Central Business District, Birkirkara, Malta



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