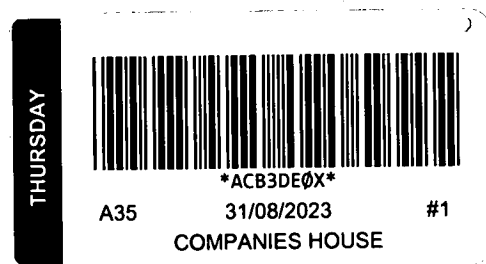


REGISTERED NUMBER: 05903966 (England and Wales)

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
CODEBAY SOLUTIONS LIMITED**



Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

CODEBAY SOLUTIONS LIMITED

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for the year ended 31 December 2022**

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CODEBAY SOLUTIONS LIMITED
COMPANY INFORMATION
for the year ended 31 December 2022

DIRECTORS: D Klett
M De Gregorio
G S Cassany
S Marzen
A P D Vuilleumier
P Willi
Bonsai Partners S.g.e.i.c., S.a.
U Ranjan

REGISTERED OFFICE: Magma House
16 Davy Court
Castle Mound Way
Rugby
Warwickshire
CV23 0UZ

REGISTERED NUMBER: 05903966 (England and Wales)

AUDITORS: Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

CODEBAY SOLUTIONS LIMITED
GROUP STRATEGIC REPORT
for the year ended 31 December 2022

The directors present their strategic report of the company and the group for the year ended 31 December 2022.

REVIEW OF BUSINESS

The group provides cutting-edge software as a service for the management of vacation rentals. In 2022, the group achieved revenues of 9.3 million euros, representing a growth of 53% compared to the previous year. The group's main markets are North America and Europe, where we have established a strong foothold and continue to expand.

The group's mission is to empower any host or vacation rental business worldwide to get started and grow their business through technology. The ultimate goal is to make them independent. The group strives to stay ahead of the curve by continuously investing in research and development, as well as expanding its product features and functionality.

Despite the challenges posed by the COVID-19 pandemic and the economic turmoil, the group remained resilient and continued to grow, thanks to a dedicated team and loyal customer base.

In 2022, the group successfully closed a Series C funding round. This funding is a testament to the group's continued growth and success in the highly competitive vacation rental management market. The round was led by Octopus Ventures and included the participation of existing shareholders. The funds will be primarily used to expand the group's product features and address the evolving needs of its customers.

The position of the group as of end of year 2022 reflected a loss of the year of 5.5 million euros which represented an increase in the loss of 4.2 million euros vs previous year. The increase in losses is a reflection of the ambition of the group to continue to reinforce its product and customer service and is supported by the capital increase of 18 million euros that happened during 2022.

The total assets of the group ended by being 21.3 million euros with an increase of 12 million euros vs 2021 that resulted from the capital increase and the losses generated during the year. Net assets amounted to 16.9 million euros with a position of cash of 19.1 million euros.

Key performance indicators

The group tracks the following key performance indicators to evaluate the performance of the company:

	2022	2021
Year on year % Turnover growth	53%	60%
Gross profit %	89%	89%
Operating profit %	(67%)	(20%)

- Year on Year turnover growth: The group achieved 53% revenue growth that is in line with the previous year growth that reached 60%.
- Gross profit %: the group reached 89% gross profit over revenues which is also in line with the performance of 2021. This KPI allows management to evaluate the gross profit after including variable expenses and represents the capacity of the company to generate profit per customer level. Management considers this KPI as an appropriate and solid indicator of the profitability of the group.
- Operating profit %: the group achieved an 67% operating loss % for the year ended 2022. This was a decline in comparison to the previous year due to the increase in investment in personnel and operating expenses. The performance is the result of the group's continuous effort to hire the best talent to continue developing the product. Management considers this KPI appropriate considering the stage of growth of the group and it is confident in becoming profitable in future years.

CODEBAY SOLUTIONS LIMITED
GROUP STRATEGIC REPORT
for the year ended 31 December 2022

PRINCIPAL RISKS AND UNCERTAINTIES

Management and the Board regularly review the risks facing the business.

The Directors consider the potential risks that the company may be exposed to including financial risk, market risk, health and safety and environmental.

Financial Risk

Credit risk

Credit risks exists when a potential loss may arise from the group's counterparty meeting its contractual obligations, i.e. the possibility that financial assets will not be recovered at their carrying amount within the established timeframe.

The group only executes the service with the previous collection by the client. Since the group operates with a third party company that manages all those collections, at 31 December, there is a brief time difference that generates some amounts not yet charged by the group but by the third party. As a result, due to the business operations there is no credit risk.

Liquidity risk

Liquidity risk is the possibility that the group will not have enough funds or access to enough funds at an acceptable cost to meet its payment obligations. The group's objective is to maintain enough available funds. At 31 December 2022 the group has working capital amounting to 16,576k Euros (2021 - 5,481k Euros), as a result of the cash injection made in the period with Series C round.

Market risk

Market risk exists when a potential loss may arise from fluctuations in the fair value or future cash flows of a financial instrument due to changes in market prices.

Interest rate risk

Interest rate risk arises where there is a possible loss due to fluctuations in the fair value or future cash flows of a financial instrument because of fluctuations in exchange rates. The group's exposure to the risk of changes in interest rates is mainly related to non-current loans and credit facilities received at floating interest rates.

Foreign currency risk

Foreign currency risk is the risk of possible loss caused by changes in the fair value of future cash flows of a financial instrument because of fluctuations in exchange rates. The group's exposure to the risk if exchange rate fluctuations mainly related to sales which are carried out in USD and GBP, since purchases are made in Euros.

Economic Environment

The Group operates in the travel industry, which may be affected by economic cycles. Economic downturns can cause a decrease in demand for travel, which could adversely affect the financial performance. The group has a resilient business model that mixes both fixed subscription fees with a variable model.

Health and Safety

Given the activity that the group is engaged in, it has no significant health and safety liabilities, expenses, assets, provisions or contingencies in relation to its equity, financial position and results. Therefore, no specific disclosures of health and safety issues are included in the notes to the consolidated financial statements.

Environmental risk

Given the activity that the group is engaged in, it has no significant environmental liabilities, expenses, assets, provisions or contingencies in relation to its equity, financial position and results. Therefore, no specific disclosures of environmental issues are included in the notes to the consolidated financial statements

CODEBAY SOLUTIONS LIMITED

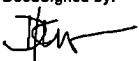
**GROUP STRATEGIC REPORT
for the year ended 31 December 2022**

FUTURE OUTLOOK

The group remains optimistic about the future of the group and the industry. The group will continue to invest in research and development, customer service, and strategic partnerships to maintain our competitive advantage and meet the evolving needs of the group's customers.

The group believes that our strong financial position, experienced leadership team, and talented employees position the group well for future growth and success.

ON BEHALF OF THE BOARD:

DocuSigned by:

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.....
D Klett - Director

11 August 2023 | 03:32 PDT

Date:

CODEBAY SOLUTIONS LIMITED
REPORT OF THE DIRECTORS
for the year ended 31 December 2022

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of developing a web based software/technology platform for the hospitality industry.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

D Klett
M De Gregorio
G S Cassany
S Marzen
A P D Vuilleumier
P Willi
Bonsai Partners S.g.e.i.c., S.a.

Other changes in directors holding office are as follows:

U Ranjan - appointed 30 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

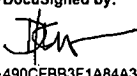
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:

DocuSigned by:


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D Klett - Director

11 August 2023 | 03:32 PDT

Date:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CODEBAY SOLUTIONS LIMITED**

Opinion

We have audited the financial statements of Codebay Solutions Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CODEBAY SOLUTIONS LIMITED**

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the group and the industry, we have identified the principal risks of non-compliance with laws and regulations, and considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries, and management bias in accounting estimates.

Audit procedures performed included:

- Enquiries with management for consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to going concern and judgements formed;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, journal entries crediting revenue, journal entries crediting cash and journal entries with specific defined descriptions.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting in error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentation, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
CODEBAY SOLUTIONS LIMITED**

Use of our report

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

Magma Audit LLP

Victoria Craig (Senior Statutory Auditor)
for and on behalf of Magma Audit LLP
Chartered Accountants
Statutory Auditor
Magma House, 16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Date: *11.8.23*.....

CODEBAY SOLUTIONS LIMITED
CONSOLIDATED
INCOME STATEMENT
for the year ended 31 December 2022

	Notes	2022 €	2021 €
TURNOVER	3	9,314,997	6,083,992
Cost of sales		<u>(1,036,697)</u>	<u>(690,993)</u>
GROSS PROFIT		8,278,300	5,392,999
Administrative expenses		<u>(14,482,933)</u>	<u>(6,584,497)</u>
OPERATING LOSS	5	(6,204,633)	(1,191,498)
Interest payable and similar expenses	6	<u>(34,273)</u>	<u>(99,655)</u>
LOSS BEFORE TAXATION		(6,238,906)	(1,291,153)
Tax on loss	7	<u>713,887</u>	-
LOSS FOR THE FINANCIAL YEAR		<u>(5,525,019)</u>	<u>(1,291,153)</u>
Loss attributable to: Owners of the parent		<u>(5,525,019)</u>	<u>(1,291,153)</u>

The notes form part of these financial statements

CODEBAY SOLUTIONS LIMITED
CONSOLIDATED
OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Notes	2022 €	2021 €
LOSS FOR THE YEAR		(5,525,019)	(1,291,153)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(5,525,019)</u>	<u>(1,291,153)</u>
Total comprehensive income attributable to: Owners of the parent		<u>(5,525,019)</u>	<u>(1,291,153)</u>

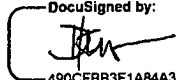
The notes form part of these financial statements

CODEBAY SOLUTIONS LIMITED (REGISTERED NUMBER: 05903966)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2022

	Notes	2022 €	2021 €
FIXED ASSETS			
Intangible assets	9	350,000	-
Tangible assets	10	336,686	241,799
Investments	11	-	-
		<u>686,686</u>	<u>241,799</u>
CURRENT ASSETS			
Debtors	12	1,505,919	928,584
Cash at bank and in hand		<u>19,132,765</u>	<u>7,716,933</u>
		20,638,684	8,645,517
CREDITORS			
Amounts falling due within one year	13	<u>(4,062,283)</u>	<u>(3,164,467)</u>
NET CURRENT ASSETS		<u>16,576,401</u>	<u>5,481,050</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		17,263,087	5,722,849
CREDITORS			
Amounts falling due after more than one year	14	<u>(316,667)</u>	<u>(1,540,069)</u>
NET ASSETS		<u>16,946,420</u>	<u>4,182,780</u>
CAPITAL AND RESERVES			
Called up share capital	17	6,472	5,224
Share premium	18	32,653,176	14,630,141
Share based payment reserve	18	264,376	-
Retained earnings	18	<u>(15,977,604)</u>	<u>(10,452,585)</u>
SHAREHOLDERS' FUNDS		<u>16,946,420</u>	<u>4,182,780</u>

The financial statements were approved by the Board of Directors and authorised for issue on 11 August, 2023 and were signed on its behalf by:

DocuSigned by:

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 D Klett - Director

The notes form part of these financial statements

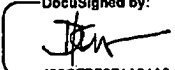
CODEBAY SOLUTIONS LIMITED (REGISTERED NUMBER: 05903966)

COMPANY STATEMENT OF FINANCIAL POSITION
31 December 2022

	Notes	2022 €	2021 €
FIXED ASSETS			
Intangible assets	9	350,000	-
Tangible assets	10	4,817	-
Investments	11	<u>8,579,285</u>	<u>1,314,909</u>
		<u>8,934,102</u>	<u>1,314,909</u>
CURRENT ASSETS			
Debtors	12	13,310,315	3,415,658
Cash at bank		<u>2,537,245</u>	<u>4,573,485</u>
		15,847,560	7,989,143
CREDITORS			
Amounts falling due within one year	13	<u>(3,169,647)</u>	<u>(3,743,905)</u>
NET CURRENT ASSETS			
		<u>12,677,913</u>	<u>4,245,238</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>21,612,015</u>	<u>5,560,147</u>
CAPITAL AND RESERVES			
Called up share capital	17	6,472	5,224
Share premium	18	32,653,176	14,630,141
Share based payment reserve	18	264,376	-
Retained earnings	18	<u>(11,312,009)</u>	<u>(9,075,218)</u>
SHAREHOLDERS' FUNDS			
		<u>21,612,015</u>	<u>5,560,147</u>
Company's (loss)/profit for the financial year		<u>(2,236,791)</u>	<u>102,997</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 11 August, 2023 and were signed on its behalf by:

DocuSigned by:

 490CFBB3F1AB4A3
 D Klett - Director

The notes form part of these financial statements

CODEBAY SOLUTIONS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Called up share capital €	Retained earnings €	Share premium €	Share based payment reserve €	Total equity €
Balance at 1 January 2021	3,842	(9,161,432)	6,988,371	-	(2,169,219)
Changes in equity					
Issue of share capital	1,382	-	7,641,770	-	7,643,152
Total comprehensive income	-	(1,291,153)	-	-	(1,291,153)
Balance at 31 December 2021	<u>5,224</u>	<u>(10,452,585)</u>	<u>14,630,141</u>	<u>-</u>	<u>4,182,780</u>
Changes in equity					
Issue of share capital	1,248	-	18,023,035	-	18,024,283
Share based expense	-	-	-	264,376	264,376
Total comprehensive income	-	(5,525,019)	-	-	(5,525,019)
Balance at 31 December 2022	<u><u>6,472</u></u>	<u><u>(15,977,604)</u></u>	<u><u>32,653,176</u></u>	<u><u>264,376</u></u>	<u><u>16,946,420</u></u>

The notes form part of these financial statements

CODEBAY SOLUTIONS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Called up share capital €	Retained earnings €	Share premium €	Share based payment reserve €	Total equity €
Balance at 1 January 2021	3,842	(9,178,215)	6,988,371	-	(2,186,002)
Changes in equity					
Issue of share capital	1,382	-	7,641,770	-	7,643,152
Total comprehensive income	-	102,997	-	-	102,997
Balance at 31 December 2021	<u>5,224</u>	<u>(9,075,218)</u>	<u>14,630,141</u>	<u>-</u>	<u>5,560,147</u>
Changes in equity					
Issue of share capital	1,248	-	18,023,035	-	18,024,283
Share based expense	-	-	-	264,376	264,376
Total comprehensive income	-	(2,236,791)	-	-	(2,236,791)
Balance at 31 December 2022	<u><u>6,472</u></u>	<u><u>(11,312,009)</u></u>	<u><u>32,653,176</u></u>	<u><u>264,376</u></u>	<u><u>21,612,015</u></u>

The notes form part of these financial statements

CODEBAY SOLUTIONS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	Notes	2022 €	2021 €
Cash flows from operating activities			
Cash generated from operations	22	(5,821,253)	(2,024,099)
Interest paid		(34,273)	(99,655)
Tax received		<u>335,945</u>	<u>(6,748)</u>
Net cash from operating activities		<u>(5,519,581)</u>	<u>(2,130,502)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(350,000)	-
Purchase of tangible fixed assets		<u>(179,255)</u>	<u>(156,327)</u>
Net cash from investing activities		<u>(529,255)</u>	<u>(156,327)</u>
Cash flows from financing activities			
New loans in year		-	108,787
Loan repayments in year		(559,615)	-
Share issue		<u>18,024,283</u>	<u>7,643,152</u>
Net cash from financing activities		<u>17,464,668</u>	<u>7,751,939</u>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	23	7,716,933	2,251,823
Cash and cash equivalents at end of year	23	<u>19,132,765</u>	<u>7,716,933</u>

The notes form part of these financial statements

CODEBAY SOLUTIONS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 December 2022**

1. STATUTORY INFORMATION

Codebay Solutions Limited is a private company limited by shares, registered in England and Wales, registration number 05903966. The address of the registered office can be found on the company information page. The address of the company's primary place of business is 145 City Rd, London, EC1V 1AZ, United Kingdom.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities measured at fair value through the income statement.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below within accounting policies.

The group's presentational and functional currency is Euros. The financial statements have been rounded to the nearest Euro.

Going concern

At the time of approving the financial statements, the directors have considered the current financial performance of the company and group and consider that there are adequate resources to continue in operational existence for the foreseeable future. The directors have prepared financial forecasts which show that the company and group can meet its debts as they fall due.

Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at the fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Critical accounting judgements and key sources of estimation uncertainty

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

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

(i) Useful economic lives of intangible assets

The amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

(ii) Carrying value of investments

The investment is held at cost and when assessing annually for impairment management consider factors including but not limited to the cash flows expected to arise from the investments.

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

Income is recognised at the contract date, provided that the result of the transaction can be reliably estimated and it is probable that the economic benefit from the transactions will flow to the company.

Income which relates to future periods is deferred and included in other creditors at the balance sheet date, It is subsequently released to the Statement of Comprehensive income in the period to which it relates.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated impairment losses.

The group recognises research costs in the financial year to which they relate.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Costs includes the original purchase price, costs directly attributable to bringing the assets to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

(i) Depreciation and residual values

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures & fittings	- Straight line over 5 years
Computer equipment	- Straight line over 4 years

(ii) Derecognition

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between net disposal proceeds and the carrying amount is recognised in the Statement of Comprehensive Income and included in administrative

Financial instruments

The group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and investments are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price.

CODEBAY SOLUTIONS LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022****2. ACCOUNTING POLICIES - continued****Taxation**

The tax expense for the year comprises current and deferred tax.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Both current and deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies**(i) Functional and presentation currency**

The group's functional and presentational currency is the Euro and the financial statements are rounded to the nearest Euro.

(ii) Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance (expense)/income'. All other foreign exchange gains and losses are presented in the income statement within 'Other operating (losses)/gains'.

Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand, deposits held at call with financial institutions, and other short-term highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Share capital

Ordinary shares are classified as equity.

Preference shares are cumulative, are redeemable on the company's option only and are classified as equity.

Shared based payments

The Group employees benefit from share options issued by the parent company. The Group allocates share-based expenses relating to Group's employees based on a direct allocation of share-based expense to the employees of the Group employed by Group companies based on the actual shares granted to those employees. The Group allocates expenses based on the fair market value of the shares vested. The fair value of the share options at the grant date was calculated using the Black-Scholes model, which is considered to be the most appropriate generally accepted valuation of measuring fair value.

The parent company recognises share based payment movement as a fair value adjustment within Fixed assets investments - Shares in group undertakings with a corresponding amount held in the share based payment reserve. The subsidiary companies recognise the share based payment expense movement in the Statement of comprehensive income with a corresponding amount held in the Capital contribution reserve. Upon consolidation the parent company's Fixed Asset Investment adjustment and subsidiary company Capital contribution reserve are eliminated.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2022	2021
	€	€
United Kingdom	558,900	365,040
Europe	1,862,999	1,216,798
Rest of world	<u>6,893,098</u>	<u>4,502,154</u>
	<u>9,314,997</u>	<u>6,083,992</u>

4. EMPLOYEES AND DIRECTORS

	2022	2021
	€	€
Wages and salaries	5,682,029	3,384,217
Social security costs	1,239,805	827,231
Other pension costs	<u>745</u>	<u>-</u>
	<u>6,922,579</u>	<u>4,211,448</u>

The average number of employees during the year was as follows:

	2022	2021
Administration and operations	73	48
Sales	31	17
Management	<u>18</u>	<u>13</u>
	<u>122</u>	<u>78</u>

	2022	2021
	€	€
Directors' remuneration	<u>555,559</u>	<u>524,339</u>

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	2022	2021
	€	€
Emoluments etc	<u>200,250</u>	<u>190,600</u>

The key management personnel are considered to be the directors and the Chief Financial Officer. The total emoluments paid to key management personnel was EUR 667,264 (2021 - EUR 524,339).

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2022	2021
	€	€
Other operating leases	279,780	149,687
Depreciation - owned assets	84,368	63,718
Loss on disposal of fixed assets	221	-
Foreign exchange differences	(40,964)	(10,966)
Fees payable to the group's auditor for the audit of the group's annual financial statements	20,705	-
Fees payable to the group's auditor taxation compliance services	2,300	-
Share based expense	<u>264,376</u>	<u>-</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	€	€
Bank interest	34,273	42,944
Loan	-	56,711
	<u>34,273</u>	<u>99,655</u>

7. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2022	2021
	€	€
Current tax:		
UK corporation tax	(713,887)	-
Tax on loss	<u>(713,887)</u>	<u>-</u>

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

7. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022	2021
	€	€
Loss before tax	<u>(6,238,906)</u>	<u>(1,291,153)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	<u>(1,185,392)</u>	(245,319)
Effects of:		
Expenses not deductible for tax purposes	303,617	23,014
Income not taxable for tax purposes	-	(4,069)
Adjustments to tax charge in respect of previous periods	<u>(717,798)</u>	-
Superdeduction	(293)	-
Unutilised losses	884,349	226,374
Difference in tax rates	<u>1,630</u>	-
Total tax credit	<u>(713,887)</u>	<u>-</u>

The group has taxable losses of EUR 10,122,825 (2021: EUR 5,463,541) available to carry forward against future trading profits.

A deferred tax asset of EUR 2,529,502 (2021: EUR 1,365,885) relating to taxable losses has not been recognised due to the uncertainty over timing of when sufficient profits against these losses could be offset will be generated in the future.

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

9. INTANGIBLE FIXED ASSETS

Group

	Software development €
COST	
Additions	<u>350,000</u>
At 31 December 2022	<u>350,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>350,000</u>

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

9. INTANGIBLE FIXED ASSETS - continued

Company

	Software development €
COST	
Additions	<u>350,000</u>
At 31 December 2022	<u>350,000</u>
NET BOOK VALUE	
At 31 December 2022	<u>350,000</u>

10. TANGIBLE FIXED ASSETS

Group

	Fixtures and fittings €	Computer equipment €	Totals €
COST			
At 1 January 2022	73,198	419,473	492,671
Additions	23,595	155,660	179,255
Disposals	<u>-</u>	<u>(16,553)</u>	<u>(16,553)</u>
At 31 December 2022	<u>96,793</u>	<u>558,580</u>	<u>655,373</u>
DEPRECIATION			
At 1 January 2022	24,206	226,666	250,872
Charge for year	9,035	75,333	84,368
Eliminated on disposal	<u>-</u>	<u>(16,553)</u>	<u>(16,553)</u>
At 31 December 2022	<u>33,241</u>	<u>285,446</u>	<u>318,687</u>
NET BOOK VALUE			
At 31 December 2022	<u>63,552</u>	<u>273,134</u>	<u>336,686</u>
At 31 December 2021	<u>48,992</u>	<u>192,807</u>	<u>241,799</u>

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

10. TANGIBLE FIXED ASSETS - continued

Company	Computer equipment €
COST	
At 1 January 2022	16,553
Additions	5,135
Disposals	<u>(16,553)</u>
At 31 December 2022	<u>5,135</u>
DEPRECIATION	
At 1 January 2022	16,553
Charge for year	318
Eliminated on disposal	<u>(16,553)</u>
At 31 December 2022	<u>318</u>
NET BOOK VALUE	
At 31 December 2022	<u>4,817</u>
At 31 December 2021	<u>-</u>

11. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings €
COST	
At 1 January 2022	1,314,909
Additions	7,000,000
Fair value movement on share options	<u>264,376</u>
At 31 December 2022	<u>8,579,285</u>
NET BOOK VALUE	
At 31 December 2022	<u>8,579,285</u>
At 31 December 2021	<u>1,314,909</u>

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries**Codebay Solutions S.L.U.**

Registered office: Incorporated in Spain

Nature of business: Software provider to the hospitality industry

Class of shares:	%
Ordinary	holding 100.00

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

11. FIXED ASSET INVESTMENTS - continued

Codebay Solutions, Inc.

Registered office: Incorporated in the United States of America

Nature of business: Sales support to Spanish subsidiary

Class of shares:	%
Ordinary	holding 100.00

12. DEBTORS

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Amounts falling due within one year:				
Trade debtors	79,859	212,476	79,859	24,781
Amounts owed by group undertakings	-	-	12,658,330	3,203,656
Other debtors	73,676	45,480	24,427	-
Tax	265,845	6,748	258,158	-
VAT	81,756	190,041	-	-
Prepayments and accrued income	572,491	36,392	289,541	187,221
	<u>1,073,627</u>	<u>491,137</u>	<u>13,310,315</u>	<u>3,415,658</u>
Amounts falling due after more than one year:				
Other debtors	<u>432,292</u>	<u>437,447</u>	-	-
Aggregate amounts	<u>1,505,919</u>	<u>928,584</u>	<u>13,310,315</u>	<u>3,415,658</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	€	€	€	€
Bank loans and overdrafts (see note 15)	-	559,615	-	-
Other loans (see note 15)	1,500	-	-	-
Trade creditors	471,796	127,292	172,833	127,292
Amounts owed to group undertakings	-	-	-	1,785,347
Social security and other taxes	299,201	337,029	14,443	-
VAT	-	-	22,268	19,276
Other creditors	3,159	80,791	-	-
Pension	1,988	-	1,988	-
Accruals and deferred income	3,284,639	2,059,740	2,958,115	1,811,990
	<u>4,062,283</u>	<u>3,164,467</u>	<u>3,169,647</u>	<u>3,743,905</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	2022	2021
	€	€
Bank loans (see note 15)	-	909,557
Other loans (see note 15)	316,667	630,512
	<u>316,667</u>	<u>1,540,069</u>

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

Other loans falling due after more than one year relate to a loan granted by the "Ministerio de Energia, Turismo y Agenda Digital".

The loan is due for repayment in January 2024. Interest is charged at a fixed rate of 0.698%.

15. LOANS

An analysis of the maturity of loans is given below:

	Group	
	2022	2021
	€	€
Amounts falling due within one year or on demand:		
Bank loans	-	559,615
Other loans	<u>1,500</u>	<u>-</u>
	<u>1,500</u>	<u>559,615</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	909,557
Other loans - 1-2 years	<u>316,667</u>	<u>630,512</u>
	<u>316,667</u>	<u>1,540,069</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Group	
	Non-cancellable operating leases	
	2022	2021
	€	€
Within one year	379,393	360,380
Between one and five years	<u>1,045,337</u>	<u>1,424,730</u>
	<u>1,424,730</u>	<u>1,785,110</u>

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	31 December 2022 €	31 December 2021 €
818,391	Ordinary	0.001p	928	1,377
1,087,756	Series A	0.001p	1,233	1,295
1,127,221	Series B	0.001p	1,278	1,343
1,659,890	Series C	0.001p	1,882	-
411,760	Series Seed	0.001p	467	491
602,571	Series Seed +	0.001p	683	718
			6,472	5,224

Ordinary Shares, Seed and Series Seed+ Shares

The Ordinary, Series Seed and Series Seed+ Shares confer on each holder the right to receive notice of and to attend, speak and vote at all general meetings of the parent company and to receive and vote on proposed written resolutions of the parent company.

Any available profits, which the parent company may determine, with the prior written consent of selected shareholders, to distribute in respect of any financial year, will be distributed among the holders of the Equity Shares pro-rata to their respective holdings of Equity Shares.

These shares are not redeemable.

Series A

The Series A shares confer on each holder of Series A the right to receive notice of and to attend, speak and vote at all general meetings of the parent company and to receive and vote on proposed written resolutions of the parent company.

Any available profits, which the parent company may determine, with the proper written consent of selected shareholders, to distribute in respect of any financial year, will be distributed among the holders of the equity shares (pari passu as if the equity shares constituted one class of share) pro rata to their respective holdings of Equity Shares.

These shares are not redeemable.

Series B

The Series B shares confer on each holder of Series B the right to receive notice of and to attend, speak and vote at all general meetings of the parent company and to receive and vote on proposed written resolutions of the parent company.

Any available profits, which the parent company may determine, with the proper written consent of selected shareholders, to distribute in respect of any financial year, will be distributed among the holders of the equity shares (pari passu as if the equity shares constituted one class of share) pro rata to their respective holdings of Equity Shares.

These shares are not redeemable.

Series C

The Series C shares confer on each holder of Series C the right to receive notice of and to attend, speak and vote at all general meetings of the parent company and to receive and vote on proposed written resolutions of the parent company.

Any available profits, which the parent company may determine, with the proper written consent of selected shareholders, to distribute in respect of any financial year, will be distributed among the holders of the equity shares (pari passu as if the equity shares constituted one class of share) pro rata to their respective holdings of Equity Shares.

These shares are not redeemable.

The following fully paid shares were allotted during the year at a premium as shown below:

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

17. CALLED UP SHARE CAPITAL - continued

1,322,398 series C shares of £0.001 each at EUR 13.63 per share.

337,492 existing Ordinary shares were designated as Series C shares during the year.

18. RESERVES

Group

	Retained earnings €	Share premium €	Share based payment reserve €	Totals €
At 1 January 2022	(10,452,585)	14,630,141	-	4,177,556
Deficit for the year	(5,525,019)			(5,525,019)
Issue of share capital	-	18,023,035	-	18,023,035
Share based expense	-	-	264,376	264,376
At 31 December 2022	<u>(15,977,604)</u>	<u>32,653,176</u>	<u>264,376</u>	<u>16,939,948</u>

Company

	Retained earnings €	Share premium €	Share based payment reserve €	Totals €
At 1 January 2022	(9,075,218)	14,630,141	-	5,554,923
Deficit for the year	(2,236,791)			(2,236,791)
Issue of share capital	-	18,023,035	-	18,023,035
Share based expense	-	-	264,376	264,376
At 31 December 2022	<u>(11,312,009)</u>	<u>32,653,176</u>	<u>264,376</u>	<u>21,605,543</u>

19. CAPITAL COMMITMENTS

	2022 €	2021 €
Contracted but not provided for in the financial statements	<u>320,544</u>	<u>-</u>

20. ULTIMATE CONTROLLING PARTY

There was no ultimate controlling party in the current or the prior period, as no single shareholder has control by virtue of shareholding.

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

21. SHARE-BASED PAYMENT TRANSACTIONS

The group has implemented an equity-settled share option scheme for the benefit of its employees. Under this scheme, eligible employees have been granted the option to acquire shares of the parent company at a pre-determined exercise price. The exercise price is set by the Board of Directors in accordance with the market price of the parent company's shares at the date of the grant. The options are only exercisable in the event of an exit event, such as an acquisition or IPO, subject to the terms and conditions of the scheme.

Details of the share options outstanding during the year are as follows:

	2022		2021	
	Number of Share Options	Weighted Average Exercise Price	Number of Share Options	Weighted Average Exercise Price
Outstanding at beginning of year	285,782	2.82	242,469	2.60
Granted during the year	<u>22,837</u>	<u>4.10</u>	<u>43,313</u>	<u>4.04</u>
Outstanding at the end of the year	308,618	2.91	285,782	2.82

The fair value of the options granted under the equity-settled share option scheme is determined using an appropriate valuation model at the date of grant, taking into account the terms and conditions upon which the options were granted. The vesting period of the options is four years. After the cliff period of two years, the options will be vested as of 50% and for the remaining two years, it will vest pro-rata over the remaining 50%. In addition, if an employee leaves the company before the cliff period, the options will be forfeited, and the company will not be required to recognize any expense related to those options. The company may also experience employee turnover, which could result in the forfeiture of unvested options.

The group recognised total expenses of €264,376 related to equity-settled share-based payment transactions during the year. The expense was immaterial in the prior year and was not recognised.

22. RECONCILIATION OF LOSS FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2022	2021
	€	€
Loss for the financial year	(5,525,019)	(1,291,153)
Depreciation charges	84,368	63,718
Loss/(gain) on disposal of fixed assets	221	(4,864)
Foreign exchange gains	52,294	(10,124)
Shared based expense	264,396	-
Finance costs	34,273	99,655
Taxation	<u>(713,887)</u>	<u>-</u>
	(5,803,354)	(1,142,768)
Decrease in stocks	-	11,543
Increase in trade and other debtors	(116,630)	(195,720)
Increase/(decrease) in trade and other creditors	<u>98,731</u>	<u>(697,154)</u>
Cash generated from operations	<u>(5,821,253)</u>	<u>(2,024,099)</u>

23. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2022

	31/12/22	1/1/22
	€	€
Cash and cash equivalents	<u>19,132,765</u>	<u>7,716,933</u>

Year ended 31 December 2021

	31/12/21	1/1/21
	€	€
Cash and cash equivalents	7,716,933	2,251,823

CODEBAY SOLUTIONS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the year ended 31 December 2022

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/22 €	Cash flow €	At 31/12/22 €
Net cash			
Cash at bank and in hand	<u>7,716,933</u>	<u>11,415,832</u>	<u>19,132,765</u>
	<u>7,716,933</u>	<u>11,415,832</u>	<u>19,132,765</u>
Debt			
Debts falling due within 1 year	(559,615)	558,115	(1,500)
Debts falling due after 1 year	<u>(1,540,069)</u>	<u>1,223,402</u>	<u>(316,667)</u>
	<u>(2,099,684)</u>	<u>1,781,517</u>	<u>(318,167)</u>
Total	<u>5,617,249</u>	<u>13,197,349</u>	<u>18,814,598</u>