

Company registration number 13077708 (England and Wales)

FLINK HOLDINGS LIMITED
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

FLINK HOLDINGS LIMITED

COMPANY INFORMATION

Directors

Mr S J Amozurrutia
Ms M A Bent (Appointed 20 July 2021)
Mr A Braccia (Appointed 23 December 2020)
Mr R R Bueno

Secretary

Taylor Wessing Secretaries Limited

Company number

13077708

Registered office

5 New Street Square
London
EC4A 3TW

Auditor

Gravita Audit II Limited
Aldgate Tower
2 Leman Street
London
E1 8FA

FLINK HOLDINGS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Group income statement	8
Group statement of comprehensive income	9
Group statement of financial position	10
Group statement of changes in equity	11
Group statement of cash flows	12
Notes to the group financial statements	13 - 31
Parent company statement of financial position	32
Parent company statement of changes in equity	33
Notes to the parent company financial statements	35 - 37

FLINK HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present the strategic report for the Period ended 31 December 2021.

Review of the business

Flink Holding, a fintech dedicated to providing financial services in Mexico, has experienced remarkable growth and expansion in 2021. The company has increased its assets under management (AUM) from \$21 million at the end of 2020 to \$44 million at the end of 2021, demonstrating a solid trend towards increased customer trust and engagement.

During the year, the number of customers grew from 680,000 to 1,250,000, reflecting significant growth in our user base. This increase has been driven by our continuous innovation and the offering of new products, including the acquisition of the Investment Advisor license and the initiation of negotiations to acquire a Brokerage Firm.

Flink Holding prides itself on being the first company to offer fractional shares services to Mexican clients, positioning us as pioneers in the market. The adoption of these products has been particularly relevant given that over 90% of the market in Mexico does not have access to investment products, presenting a significant opportunity for our expansion.

Flink Holdings acquired 4 entities during the year, which strengthened the balance sheet, leaving a net asset position of \$43,676,528 at the year end.

Principal risks and uncertainties

The principal risks and uncertainties identified by the company are:

- High competition from well-capitalized firms aiming to offer similar products.
- Regulatory challenges, particularly the risk that regulators may not fully understand our product and may not grant approval.

Mitigation Strategies

To mitigate these risks, we focus on offering customer-centric products, ensuring a preference for our services over the competition. Additionally, we maintain a continuous and constructive dialogue with the regulator to facilitate their understanding and approval of our products.

Development and performance

Throughout 2021, Flink Holding focused on expanding its product offerings and enhancing its market position. The acquisition of the Investment Advisor license allowed us to diversify our services, and negotiations for acquiring a Brokerage Firm aimed at further strengthening our foothold in the financial sector.

Despite the challenges posed by ongoing discussions with the Mexican regulator to ensure compliance with our innovative products, we successfully maintained a robust growth trajectory. Our efforts in product innovation and customer-centric services have set a strong foundation for future profitability.

Position at the End of the Year

As of 31 December 2021, the Group had net assets of \$45,159,746. This includes \$6,385,486 in goodwill, \$121,984 in intangible assets, \$169,946 in property, plant, and equipment, and \$8,200,000 in investments. Current assets amounted to \$32,409,056, including \$24,333,083 in cash and cash equivalents, \$6,301,322 in trade and other receivables, and \$1,774,651 in current tax recoverable. Current liabilities stood at \$2,126,726.

Key performance indicators

- Revenue: \$76,911
- Loss for the Period: (\$18,918,828)
- Assets Under Management (AUM): Increased from \$21 million to \$44 million
- Number of Customers: Increased from 680,000 to 1,250,000

FLINK HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

Future Developments

For 2022, Flink Holding plans to acquire more licenses that will allow us to offer a comprehensive ecosystem of customer-focused financial products. Our projections include a 10% increase in the number of customers and in AUM.

During 2024, the directors sold the subsidiaries to Wellbull Holdings (Singapore) Pte. Ltd for a total consideration of \$17,000,000.

On behalf of the board

Mr S J Amozurrutia
Director

19 July 2024

FLINK HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the Period ended 31 December 2021.

Principal activities

The principal activity of the group continued to be that of a holding company for a group of subsidiaries overseas within the financial services space offering investment opportunities via an app.

Results and dividends

The results for the Period are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

Mr S J Amozurrutia

Ms M A Bent

Mr A Braccia

Mr R R Bueno

(Appointed 20 July 2021)

(Appointed 23 December 2020)

Auditor

In accordance with the company's articles, a resolution proposing that Gravita Audit II Limited be reappointed as auditor of the company and group will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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

FLINK HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Due to the restructuring of the group, the financial statements have been prepared on an alternative basis to going concern.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr S J Amozurrutia

Director

19 July 2024

FLINK HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FLINK HOLDINGS LIMITED

Opinion

We have audited the financial statements of Flink Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the Period ended 31 December 2021 which comprise the group income statement, the group statement of comprehensive income, the group and parent company statement of financial position, the group and parent company statement of changes in equity, the group statement of cash flows and the group and parent company notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the Period then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company 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.

EMPHASIS OF MATTER - financial statements prepared on a basis other than going concern

We draw attention to note 1.4 of the financial statements which explains that the group has been restructured and the significant components have been sold post year end. Therefore, the directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 2.

Our opinion is not modified in respect to this matter.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial Period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

FLINK HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FLINK HOLDINGS LIMITED

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to other receivables, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the group and the parent company were identified through discussions with the director and other management, and from our commercial knowledge and experience of the group and the parent company. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the group and the parent company, The Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

FLINK HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FLINK HOLDINGS LIMITED

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the group's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence relevant regulators and the group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the director and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Daniel Howarth (Senior Statutory Auditor)
For and on behalf of Gravita Audit II Limited

19 July 2024

Chartered Accountants
Statutory Auditor

Aldgate Tower
2 Lemon Street
London
E1 8FA

FLINK HOLDINGS LIMITED

GROUP INCOME STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2021

		Period ended 31 December 2021 \$
	Notes	
Revenue	4	76,911
Cost of sales		(6,903,185)
Gross loss		(6,826,274)
Other operating income		10,526
Administrative expenses		(10,201,387)
Operating loss	5	(17,017,135)
Finance income	7	404,885
Finance costs	8	(311,360)
Other gains and losses	9	(1,995,218)
Loss before taxation		(18,918,828)
Income tax expense	10	-
Loss for the Period		(18,918,828)
Profit for the financial Period is attributable to:		
- Owners of the parent company		(18,886,228)
- Non-controlling interests		(32,600)
		(18,918,828)

FLINK HOLDINGS LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Period ended 31 December 2021 \$
Loss for the Period	(18,918,828) <u><u> </u></u>
Other comprehensive income:	
Items that may be reclassified to profit or loss	
Currency translation differences:	
- Translation gain arising in the Period	98,376 <u> </u>
Total comprehensive income for the Period	(18,820,452) <u><u> </u></u>
Total comprehensive income for the Period is attributable to:	
- Owners of the parent company	(18,787,852)
- Non-controlling interests	(32,600) <u> </u>
	(18,820,452) <u><u> </u></u>

FLINK HOLDINGS LIMITED**GROUP STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 \$
Non-current assets		
Goodwill	12	6,385,486
Intangible assets	12	121,984
Property, plant and equipment	13	169,946
Investments	14	8,200,000
		<u>14,877,416</u>
Current assets		
Trade and other receivables	17	4,818,104
Current tax recoverable		1,774,651
Cash and cash equivalents		24,333,083
		<u>30,925,838</u>
Current liabilities		
Trade and other payables	19	2,075,311
Current tax liabilities		51,415
		<u>2,126,726</u>
Net current assets		<u>28,799,112</u>
Net assets		<u>43,676,528</u>
Equity		
Called up share capital	20	62,547,492
Currency translation reserves	21	98,376
Retained earnings		(18,886,228)
Equity attributable to owners of the parent company		<u>43,759,640</u>
Non-controlling interests		(83,112)
Total equity		<u>43,676,528</u>

The financial statements were approved by the board of directors and authorised for issue on 19 July 2024 and are signed on its behalf by:

Mr S J Amozurrutia
Director

Company registration number 13077708 (England and Wales)

FLINK HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

	Share capital	Currency translation reserve	Retained earnings	Non-controlling interest	Total
Notes	\$	\$	\$	\$	\$
Balance at 20 December 2020	-	-	-	-	-
Period ended 31 December 2021:					
Profit	-	-	(18,886,228)	(32,600)	(18,918,828)
Other comprehensive income:					
Currency translation differences	-	98,376	-	-	98,376
Total comprehensive income	-	98,376	(18,886,228)	(32,600)	(18,820,452)
Transactions with owners:					
Issue of share capital	62,547,492	-	-	-	62,547,492
Acquisition of subsidiary	-	-	-	(50,512)	(50,512)
Balance at 31 December 2021	62,547,492	98,376	(18,886,228)	(83,112)	43,676,528

FLINK HOLDINGS LIMITED**GROUP STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

		2021	
	Notes	\$	\$
Cash flows from operating activities			
Cash absorbed by operations	26	(21,298,147)	
Net cash outflow from operating activities		(21,298,147)	
Investing activities			
Payment for acquisition of subsidiary- net of cash acquired		23,236,340	
Payment for property plant and equipment		(44,445)	
Proceeds from disposal of property, plant and equipment		5,467	
Loans made to other entities		(8,712,000)	
Net cash generated from investing activities		14,485,362	
Financing activities			
Proceeds from issue of shares		31,047,492	
Net cash generated from financing activities		31,047,492	
Net (decrease)/increase in cash and cash equivalents		24,234,707	
Cash and cash equivalents at beginning of year		-	
Effect of foreign exchange rates		98,376	
Cash and cash equivalents at end of year		24,333,083	
Relating to:			
Bank balances		24,333,083	

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Flink Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 New Street Square, London, EC4A 3TW. The company's principal activities and nature of its operations are disclosed in the directors' report.

The group consists of Flink Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

These financial statements have been prepared on a basis other than going concern as the subsidiaries of the entity have been sold post year end. A deal was reached in 2023 to sell the material subsidiaries of the group and it is the intention of the directors to liquidate the UK entity. For this reason the directors do not feel appropriate to prepare the accounts on a going concern basis.

The financial statements are prepared in US\$ which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention. The principal accounting policies applied are set out below.

1.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Flink Holdings Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Investments in joint ventures and associates are carried in the group statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

The financial statements have been prepared on a basis other than going concern as per the explanation given in the basis of preparation note.

1.5 Revenue

The group recognises revenue when it transfers control of a product or service to a customer.

Revenue is recognised when the following steps are met;

1. The service is identified with the end client
2. The obligations to be fulfilled in the service are identified
3. The price of the transaction is determined
4. The price of the transaction is allocated between the different obligations to be fulfilled in the service
5. Income is recognized as the group satisfies each of the obligations to be fulfilled

The Group's revenue from service contracts is recognized by reference to the stage of progress towards the completion of the contract. The progress stage for the termination of the contract is determined as follows:

Fees for installation services are recognized as revenue by reference to the completion of the installation, determined as the proportion of the total estimated time to install that has elapsed at the end of the period.

Service fees included in the price of products sold are recognized by reference to the proportion of the total cost of the service provided for the product sold; and Income from contracts is recognized based on established rates to the extent that work hours and direct expenses are incurred.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group expects that the difference between the timing of the transfer of goods or services determined at the beginning of the contract and the timing of collection of transaction price by the customer does not differ by more than one year and therefore transaction price does not contain a significant finance component.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

The gain on a bargain purchase is recognised in profit or loss in the period of the acquisition.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not subsequently reversed.

1.7 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values using straight-line method over their useful lives on the following bases:

- Over 10 years

1.8 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10 years- Straight-line method
Computers	4 years- Straight-line method

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.9 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the group holds a long-term interest and has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of non-financial assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial Assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

The group classifies all of its financial assets as financial assets at amortised cost. The classification depends on the purpose of which the financial assets are held and acquired.

Trade, loan and other receivables that have fixed or determinable payments that are not quoted in an active market are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date. The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. For trade and loan receivables, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.13 Financial liabilities

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial Liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.14 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.17 Foreign exchange

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss. Exchange rates apply for the annual accounts 2021:

	Year end 2021	Average 2021
MXN/USD	0.488	0.0493

On consolidation, the results of overseas operations are translated into Euros at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

2 Changes in accounting policies and disclosures

New and revised standards and changes in accounting policies

The group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2021:

Covid-19-Related Rent Concessions (amendments to IFRS 16)	1 June 2020
Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	1 January 2021

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Critical accounting estimates and judgements

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Impairment of Goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. Impairment exist when the carrying value of Goodwill exceeds its recoverable amount. The Group determined the recoverable amount based on the actual sales price of the investments post year end.

Estimated useful lives of property, plant and equipment and intangible assets

The useful lives of the Group's items of property, plant and equipment and intangible assets is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of practices of similar business and internal technical evaluation. The estimated useful life of the of each asset is reviewed periodically and updated if expectations differ from previous estimates. A change in the estimated useful life of any item of property, plant and equipment and intangibles assets would impact the recorded costs and expenses and non-current assets.

Business combination

The Group used valuation techniques when determining the fair value of certain assets and liabilities acquired in a business combination.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

4 Revenue

	2021
	\$
Revenue analysed by class of business	
Sale of services	76,911

5 Operating loss

	2021
	\$
Operating loss for the period is stated after charging:	
Fees payable to the company's auditor for the audit of the company's financial statements	45,000
Depreciation of property, plant and equipment	31,653
Amortisation of intangible assets (included within administrative expenses)	41,652

6 Employees

The staff costs consists of:

	2021
	\$
Wages and salaries	1,943,735
Social security cost	76,346
Other pension costs	31,252
	2,051,333

The average monthly number of persons (including directors) employed by the group during the year is 100.

7 Finance income

	2021
	\$
Interest income	
Financial instruments measured at amortised cost:	
Bank deposits	404,885

8 Finance costs

	2021
	\$
Interest on bank overdrafts and loans	311,360

FLINK HOLDINGS LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 31 DECEMBER 2021**9 Other gains and losses**

	2021 \$
Amounts written off non-current loans	(1,995,218)
Other gains and losses relates to a loss on the convertible loan note with Ualet Inc.	

10 Income tax expense

The charge for the Period can be reconciled to the loss per the income statement as follows:

	2021 \$
Loss before taxation	(18,918,828)
Expected tax credit based on a corporation tax rate of 19.00%	(3,594,577)
Effect of expenses not deductible in determining taxable profit	726,347
Unutilised tax losses carried forward	4,563,662
Effect of overseas tax rates	(1,548,502)
Foreign exchange differences	(146,930)
Taxation charge for the period	-

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2021 \$
In respect of:	
Goodwill	1,827,662
Financial assets - loans and receivables	1,995,218
Recognised in:	
Administrative expenses	1,827,662
Other gains and losses	1,995,218

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

12 Intangible assets

	Goodwill	Software	Total
	\$	\$	\$
Cost			
Additions - internally generated	-	163,636	163,636
Additions - purchased	8,213,148	-	8,213,148
At 31 December 2021	8,213,148	163,636	8,376,784
Amortisation and impairment			
Charge for the year	-	41,652	41,652
Impairment loss	1,827,662	-	1,827,662
At 31 December 2021	1,827,662	41,652	1,869,314
Carrying amount			
At 31 December 2021	6,385,486	121,984	6,507,470

More information on impairment movements in the Period is given in note 11.

13 Property, plant and equipment

	Fixtures and fittings	Computers	Total
	\$	\$	\$
Cost			
At 20 December 2020	-	-	-
Business combinations	13,678	187,921	201,599
At 31 December 2021	13,678	187,921	201,599
Accumulated depreciation and impairment			
At 20 December 2020	-	-	-
Charge for the Period	1,830	29,823	31,653
At 31 December 2021	1,830	29,823	31,653
Carrying amount			
At 31 December 2021	11,848	158,098	169,946

14 Investments

	Current 2021	Non-current 2021
	\$	\$
Loans and receivables at amortised cost	-	8,200,000

Loans include \$8,200,000 loan notes invested in Vifaru S.A. de C.V. Casa de Bolsa. The interest rate on the loan is equal to 5% per annum.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

14 Investments

(Continued)

Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held	
				Direct	Indirect
Miflink S.A.P.I de C.V.	Mexico	Consultancy and professional assistance	Ordinary	99.99	-
Flink S.A.P.I de C.V.	Mexico	Technological financial services	Ordinary	99.60	-
Flink Services S.A.de C.V.	Mexico	Financial services	Ordinary	99.99	-
Miflink Advisors Independiente S.C.	Mexico	Advisory	Ordinary	-	100.00

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

16 Financial risk management

The risks of the Group, resulting from operations, include credit risk, liquidity risk and currency risk. The Group's risk management program generally seeks to minimize the potential negative effects of uncertainty in financial markets on financial performance of the Group.

Risk management, in line with policies approved by the Board of Directors, is carried out. According to the risk policy, financial risk is identified and assessed. By working together with the Group's operational units, relevant instruments are used to reduce the risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The financial instruments that potentially subjects the the Group to credit risks consist principally of bank balances and loans and receivables. the Maximum credit risk in the Group is limited to the amounts disclosed in the Group financial statements.

The Group's credit risk mainly arise from cash in bank, loan and trade receivables. The Group's exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. The risk includes loss of principal, disruption to cashflows, and increased collection costs. The group's credit risk stems from the following:

Maximum credit risk

Type	Amount
Cash and cash equivalents	24,333,083
Trade and other receivables	6,421,904
Loans and receivables	8,200,000

Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding to meet obligations when due and to close out market positions. At the end of the reporting period the group held cash and cash equivalent of \$24,333,083 that are expected to readily generate cash inflows for managing liquidity risk.

Foreign Currency Risk

The Group is exposed to currency risk primarily for transactions that are denominated in currencies other than the presentational currency of the Group to which they relate. The currencies giving rise to this risk is primarily Mexican Peso for the assets and liabilities of subsidiaries as at year end.

17 Trade and other receivables

	2021 \$
Trade receivables	4,392,139
Other receivables	321,312
Prepayments	104,653
	<u>4,818,104</u>

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2021

18 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

19 Trade and other payables

	2021 \$
Trade payables	725,670
Accruals	107,005
Social security and other taxation	241,398
Other payables	1,001,238
	<u>2,075,311</u>

20 Share capital

	2021 Number	2021 \$
Ordinary share capital		
<i>Issued and fully paid</i>		
of \$26.01 each	100,000	2,601,001
of \$7.86 each	100,000	3,524,372
of \$3.71766 each	100,000	371,766
of \$1.06 each	1,000,000	1,059,477
of \$3.14039 each	100,000	314,039
of \$26.30 each	2,049,332	53,891,061
	<u>3,449,332</u>	<u>61,761,716</u>
Preference share capital		
<i>Issued and fully paid</i>		
of \$7.85776 each	100,000	785,776
	<u>100,000</u>	<u>785,776</u>
Preference shares classified as equity		<u>785,776</u>
Total equity share capital		<u>62,547,492</u>

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

21 Currency translation reserve

	2021 \$
At the beginning of the Period	-
Translation gain arising in the Period	98,376
At the end of the Period	<u>98,376</u>

22 Acquisitions of a business

On 30 April 2021 the group acquired 99.6 percent of the issued capital of FLINK S.A.P.I. DE C.V.. The company was established on November 19, 2019, its main activity is the provision and development of technological financial services, for the marketing, rental, own use and offering technological financial solutions for the use of its customers

	Book Value \$	Adjustments \$	Fair Value \$
Net assets of business acquired			
Intangible assets	121,984	-	121,984
Property, plant and equipment	98,226	-	98,226
Trade and other receivables	1,753,476	-	1,753,476
Cash and cash equivalents	276,184	-	276,184
Trade and other payables	(486,090)	-	(486,090)
Tax liabilities	(35,757)	-	(35,757)
Total identifiable net assets	<u>1,728,023</u>	<u>-</u>	1,728,023
Non-controlling interests			6,912
Goodwill			16,605,065
Total consideration			<u>18,340,000</u>
The consideration was satisfied by:			\$
Issue of shares			<u>18,340,000</u>
Net cash outflow arising on acquisition			\$
Cash consideration			-
Cash and cash equivalents required			(276,184)
			<u>(276,184)</u>

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

22 Acquisitions of a business

(Continued)

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

\$

Revenue	83,883
Loss after tax	(7,903,795)
	<u><u> </u></u>

The parent company sold the subsidiary post year end, therefore the goodwill has been impaired to the sale value. Goodwill has been impaired by \$1,151,529.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

22 Acquisitions of a business

(Continued)

On 31 March 2021 the Group indirectly acquired 100 percent of the issued share capital of MIFLINK ADVISORS SC.

	Book Value	Adjustments	Fair Value
	\$	\$	\$
Net assets of business acquired			
Trade and other receivables	21,123	-	21,123
Trade and other payables	(27,186)	-	(27,186)
Total identifiable net assets	(6,063)	-	(6,063)
Non-controlling interests			-
Goodwill			986,063
Total consideration			980,000
The consideration was satisfied by:			\$
Issue of shares			980,000
Net cash outflow arising on acquisition			\$
Cash consideration			-
Less: Cash and cash equivalents acquired			-
			-
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			\$
Revenue			37
Loss after tax			(1,881,253)

Miflink Advisors SC did not start trading until August 2021.

The parent company sold the subsidiary post year end, therefore the goodwill has been impaired to the sale value. Goodwill has been impaired by \$50,899.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

22 Acquisitions of a business

(Continued)

On 31 August 2021 the group acquired 99.99 percent of the issued capital of FLINK SERVICES S.A DE C.V..

	Book Value	Adjustments	Fair Value
	\$	\$	\$
Net assets of business acquired			
Trade and other receivables	4,879	-	4,879
Cash and cash equivalents	805,662	-	805,662
Tax liabilities	40,530	-	40,530
	<u>851,071</u>	<u>-</u>	<u>851,071</u>
Total identifiable net assets			
Non-controlling interests			3,404
Goodwill			145,525
			<u>1,000,000</u>
Total consideration			
			<u>1,000,000</u>
The consideration was satisfied by:			\$
Issue of shares			1,000,000
			<u>1,000,000</u>
Net cash outflow arising on acquisition			\$
Cash consideration			-
Less: Cash and cash equivalents acquired			(805,662)
			<u>(805,662)</u>
			<u>(805,662)</u>
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			\$
Revenue			-
Loss after tax			65,430
			<u>65,430</u>

The parent company sold the subsidiary post year end, therefore the goodwill has been impaired to the sale value. Goodwill has been impaired by \$50,777.

FLINK HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

22 Acquisitions of a business

(Continued)

On 1 January 2021 the group acquired 99.99 percent of the issued capital of Miflink S.A.P.I de C.V.
The total revenue and profit for the year have been included in the consolidated accounts.
Consideration of \$11,180,000 was satisfied with the issue of shares.

The parent company sold the subsidiary post year end, therefore the goodwill has been impaired to the sale value.
Goodwill has been impaired by \$574,457.

23 Capital risk management

The Group monitors its level of capital which comprises of all components of equity.

The Group's objective when maintaining capital is to safeguard the Group's ability to continue as a going concern, so they can continue to provide returns for shareholders and stakeholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The group is not subject to any externally imposed capital requirements.

24 Events after the reporting date

During 2024, the directors sold the subsidiaries to Webull Holdings (Singapore) Pte. Ltd for a total consideration of \$17,000,000.

In January 2024, the corporate name of Miflink S.A.P.I de C.V. was changed to Webull Holdings Mexico, S.A.P.I. de C.V.

25 Audit exemption for subsidiary undertakings

For the year ended 31 December 2021, the Group has taken an advantage of the exemption offered in the sections 479A - 479C of the Companies Act 2006. The companies which have taken this exemption are as follows:

Flink Services S.A.de C.V.
Miflink Advisors Independiente S.C.

FLINK HOLDINGS LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 31 DECEMBER 2021

26	Cash absorbed by operations	2021
		\$
	Loss for the Period before income tax	(17,435,610)
	Adjustments for:	
	Amortisation and impairment of intangible assets	1,863,847
	Depreciation and impairment of property, plant and equipment	31,653
	Other gains and losses	1,995,218
	Movements in working capital:	
	Increase in trade and other receivables	(8,075,973)
	Decrease in trade and other payables	1,805,936
	Cash absorbed by operations	<u>(21,298,147)</u>

FLINK HOLDINGS LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 \$
Non-current assets		
Investments	30	25,200,000
Current assets		
Trade and other receivables	31	977,886
Cash and cash equivalents		20,383,951
		21,361,837
Current liabilities		
Trade and other payables	32	45,000
Net current assets		21,316,837
Net assets		46,516,837
Equity		
Called up share capital	33	62,547,492
Retained earnings		(16,030,655)
Total equity		46,516,837

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was \$16,030,655.

The financial statements were approved by the board of directors and authorised for issue on 19 July 2024 and are signed on its behalf by:

Mr S J Amozurrutia
Director

Company registration number 13077708 (England and Wales)

FLINK HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2021

		Share capital	Retained earnings	Total
	Notes	\$	\$	\$
Balance at 20 December 2020		-	-	-
Period ended 31 December 2021:				
Loss and total comprehensive income		-	(16,030,655)	(16,030,655)
Transactions with owners:				
Issue of share capital	33	62,547,492	-	62,547,492
Balance at 31 December 2021		<u>62,547,492</u>	<u>(16,030,655)</u>	<u>46,516,837</u>

FLINK HOLDINGS LIMITED**COMPANY STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Notes	2021 \$	\$
Cash flows from operating activities			
Cash absorbed by operations	34	(1,786,209)	
Net cash outflow from operating activities		(1,786,209)	
Investing activities			
Purchase of investment in subsidiary		(165,332)	
Loans made to other entities		(8,712,000)	
Net cash used in investing activities		(8,877,332)	
Financing activities			
Proceeds from issue of shares		31,047,492	
Net cash generated in financing activities		31,047,492	
Net (decrease)/increase in cash and cash equivalents		20,383,951	
Cash and cash equivalents at beginning of year		-	
Cash and cash equivalents at end of year		20,383,951	
Relating to:			
Bank balances and short term deposits		20,383,951	

FLINK HOLDINGS LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021

27 Accounting policies

Company information

Flink Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 5 New Street Square, London, EC4A 3TW. The company's principal activities and nature of its operations are disclosed in the directors' report.

27.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in US\$, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$

The company applies accounting policies consistent with those applied by the group. To the extent that an accounting policy is relevant to both group and parent company financial statements, please refer to the group financial statements for disclosure of the relevant accounting policy.

27.2 Going concern

The financial statements have been prepared on a basis other than going concern as per the explanation given in the basis of preparation note.

28 Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Valuation of Investments in Subsidiaries

The Company conducts impairment reviews of investments whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, or tests of impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of recoverable amount. The Company determined the recoverable amount based on the actual sales price of the investments post year end.

29 Employees

The average monthly number of persons (including directors) employed by the company during the Period was:

	2021 Number
Total	-

FLINK HOLDINGS LIMITED

NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

30 Investments

	Current 2021 \$	Non-current 2021 \$
Loans and receivables at amortised cost	-	8,200,000
Investments in subsidiaries	-	17,000,000
	<u>-</u>	<u>25,200,000</u>

Loans include \$8,200,000 loan notes invested in Vifaru S.A. de C.V. Casa de Bolsa. The interest rate on the loan is equal to 5% per annum.

Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the company's principal operating subsidiaries are included in note 12 of notes to Group financial statements.

31 Trade and other receivables

	2021 \$
Amounts owed by subsidiary undertakings	977,886

32 Trade and other payables

	2021 \$
Accruals	45,000

33 Share capital

Refer to note 20 of the group financial statements.

FLINK HOLDINGS LIMITED**NOTES TO THE COMPANY FINANCIAL STATEMENTS (CONTINUED)**
FOR THE PERIOD ENDED 31 DECEMBER 2021**34 Cash absorbed by operations**

	2021
	\$
Loss for the Period after tax	(16,030,655)
Adjustments for:	
Impairment of investments in subsidiary	14,665,332
Other gains and losses	512,000
Increase in trade and other receivables	(977,886)
Increase in trade and other payables	1,022,886
Cash absorbed by operations	(2,854,095)
Per cash flow statement page	<u><u>(1,786,209)</u></u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.