



Annual Report 2024

SISP, S.A.

Sociedade Interbancária e Sistemas Pagamentos, S.A.

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Acronyms

AMEX – *American Express*

ATM - *Automatic Teller Machine*

DCC - *Dynamic Currency Conversion*

FRSF – *Financial Reporting Standards*

FSE – *Third-party Supplies and Services*

H2H - *Host to Host*

IASB – *International Accounting Standard Board*

IFRS - *International Financial Reporting Standards*

INE – *National Institute of Statistics*

IRPC – *Corporate Income Tax*

ISO - *International Standards Organization*

mPOS - *mobile POS*

PC – *Personal Computer*

PCI - *Payment Card Industry*

PIN – *Personal Identification Number*

PKI – *Public Key Infrastructure*

POS- *Point of Sales*

SWIFT - *Society for Worldwide Interbank Financial Telecommunication*

TEF – *Electronic Fund Transfer*

Message from the Board of Directors,

Dear Shareholders,

The year 2024 marks the 25th anniversary of the Sociedade Interbancária e Sistemas de Pagamentos, S.A. (SISP).

The celebrations of SISP's 25th anniversary were marked by the release of a documentary, which discusses the past, but also the future prospects, challenges and opportunities for the Society, especially at a time when the payments market is undergoing a digital transformation.

As part of those celebrations, SISP signed an important multilateral cooperation protocol with its counterparts in Angola and São Tomé and Príncipe. The protocol aims to strengthen the exchange of experiences between the parties in what concerns payment systems development and the measures taken to manage cybersecurity incidents.

Mention should also be made to the Workshop on Payment Systems held last year as an important forum for the exchange of experiences between relevant national and international stakeholders, which covered topics that challenge us on the need for a sustainable strategy for the use of digital technologies, such as Artificial Intelligence, which involves investment in cybersecurity.

The celebrations included the launching of SISP's new visual identity. The rebranding is in line with new graphic trends “for a new generation of users”, while retaining its original identity.

Adopting a new visual identity is intrinsically about modernity. In line with the new challenges, we are called upon to think about the future when new operational risks arise from new technologies and innovation, especially as the national payments market continues to be marked by a growing preference for digital channels.

In fact, the product in the Vinti4 network with the highest relative growth was Televinti4, which is indicative of the growth in the financial consumer's use of mobile solutions and the great potential of the digitalization of payment services.

The progressive and continuous adoption of digital technologies in the payments market has enabled payment service users to resort to mobile devices and digital platforms connected to the internet to carry out payment transactions efficiently, securely and conveniently.

In the year of its silver jubilee, the company's fundamental role in ensuring that the clearing and recording of payment transactions is carried out securely cannot be overlooked. The same goes for the development of infrastructures that allow for the **dematerialization** of payments and interoperability between the different payment service providers, fundamental premises for guaranteeing **efficiency in payments and financial inclusion**.

The goals of promoting efficiency and security in the national payment market are fundamental pillars of SISP's activities. Investments in the continuous modernization of its infrastructures, which in 2024 amounted to around 232 million escudos, and the continuous reinforcement of the security of its

infrastructures, having obtained renewals and extension of critical security certifications, aim to guarantee operational efficiency, internal security, but also the security of payments.

In this context, it is important to highlight the important investments made to strengthen high availability and service improvements and the new headquarters building project.

The increase in the size and complexity of SISP's activity requires special attention to the process of building the new headquarters, so ensuring that the company has adequate space to carry out its corporate purpose and that the new headquarters meets the most modern security criteria, taking into account the nature of SISP's activities and the role it plays in securing national payments. In this context, emphasis should be put on the important progress made, namely with the international certification of the construction project for the new headquarters by the Uptime Institute.

Also noteworthy is the implementation of a new high availability structure in Active-Active mode, ensuring greater resilience and continuity of services, especially during critical periods of high demand.

No less important were the investments in SISP's "human capital" and in improving the services provided to our clients. In this regard, the institution's employees and the market were consulted in order to assess both their satisfaction with the working environment and customer satisfaction. The conclusions drawn up from these consultations were used to outline strategies that should guarantee continuous improvements in the working conditions and simultaneously in the relations with clients, thus contributing to the consolidation of a good institutional image.

Special investment in human resources, specifically in training employees in the different lines of defense, continues to be a priority strategic goal imposed by the growing challenges and demands dictated by significant business growth, market maturity levels and the need for regulatory compliance.

In 2024, significant improvements were approved in the "remuneration policy" for SISP employees, who play a fundamental role in the results obtained by the Company.

In terms of governance, the General Meeting of Shareholders decided to create a remuneration committee entrusted with the task to set the remuneration of the members of the governing bodies. The appointed members of the committee have years of experience in the financial sector and technical expertise and are capable of forming an independent judgment on the adequacy of the remuneration policy for governing bodies, including its implications for risk management.

The year 2024 culminates with the reinforcement of human resources, the opening of a new maintenance center in Santo Antão, and with the company reaching more than 65 million operations, totaling over CVE 218 billion traded, and a net profit for the year of CVE 352 billion. The results achieved are in line with the expectations of the main stakeholders and allow for an adequate return on the capital invested by the shareholders.

We want SISP to continue to play a key role in the efficiency and security of the national payments market and are strongly committed to strengthening its operational efficiency and the security of its operations, particularly by using new technologies.

The Board of Directors ends this message with a special note of appreciation to all those who have worked in the institution throughout these 25 years and contributed to its history and success, and also to SISP's employees, clients and other stakeholders.

The Board of Directors,

António Carlos Semedo

Hernâni Trigueiros

João Domingos Correia,

Manuel Fernando Monteiro Pinto

Luis Vasconcelos Lopes

Soeli Santos

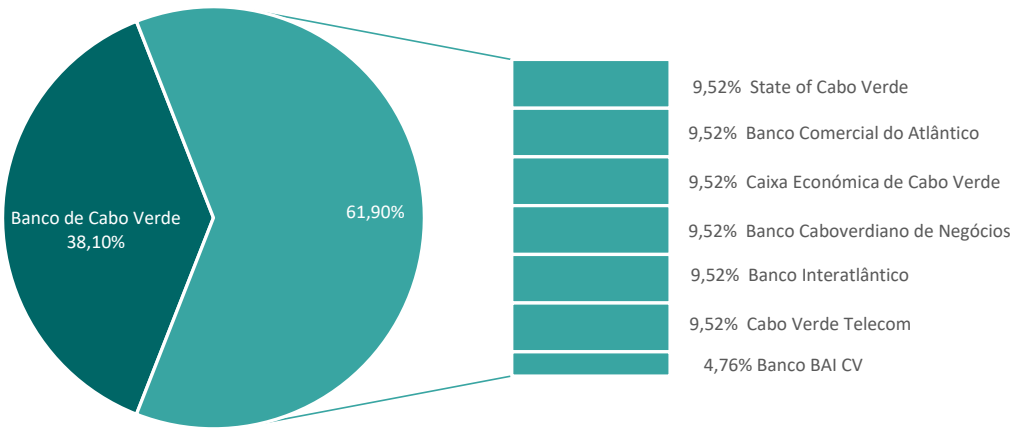
Isabel Freire (Chairman)

1. KEY REFERENCES

Shareholder Structure

The Sociedade Interbancária e Sistema de Pagamentos, hereinafter abbreviated as SISP, is a public limited company headquartered in the city of Praia, Island of Santiago, with a fully subscribed and paid-up capital of CVE 105,000,000 (one-hundred five million Escudos) represented by 105,000 shares with a nominal value of one thousand Escudos each, held and distributed as per the following chart:

Chart 1: Ownership Structure



Corporate Bodies

General Meeting Board

Chairman

José Henrique Alves Freire De Andrade, on behalf of the State of Cabo Verde

Secretaries

Gilda Maria Medina Gomes on behalf of the Banco de Cabo Verde

Dulce Lopes Chantre on behalf of the Banco Comercial do Atlântico

Board of Directors

Chairman

Teresa Cristina Brito Lima Barbosa Vicente, up to 09/30/2024 and *Isabel Eugénia Andrade Freire*, starting from November 13, 2024, on behalf of the Banco de Cabo Verde

António Carlos Moreira Semedo, Acting Chairman from October 01, 2024 to November 12, 2024;

Executive Directors

António Carlos Moreira Semedo, on behalf of the Caixa Económica de Cabo Verde

Soeli Cristina Dias Santos, on behalf of the State of Cabo Verde

Hernâni Trigueiros, on behalf of the Banco Comercial do Atlântico

João Domingos de Barros Correia, on behalf of the Cabo Verde Telecom

Luís Vasconcelos Lopes, on behalf of the Banco Caboverdiano de Negócios

Manuel Fernando Monteiro Pinto, on behalf of the Banco Interatlântico

Supervisory Board

Chairman

Manuel Sanches Tavares Junior, on behalf of the Caixa Económica de Cabo Verde

Members

Mónica Vitoria do Espírito Santo Correia Garcia, on behalf of the Banco Interatlântico

Ana Elizabeth Pires Carvalho Vicente, on behalf of the Banco Caboverdiano de Negócios

2. EXECUTIVE SUMMARY

The year 2024 was marked by important, strategic and sustained investments, in line with the end of the cycle for part of the infrastructure and the current stage of business growth. Among the main advances was the implementation of a new high availability structure in Active-Active mode, guaranteeing greater resilience and continuity of services, especially during critical periods of high demand.

Continuous improvement has been observed in the various card payment services through the different channels, as well as the continuation of a few projects aimed at improving various business support systems that should bring significant gains in operational efficiency. The sustainable growth of the business was driven both by the entry of new participants in the credit card and prepaid management platform and by the growth of cards, terminals and operations, reinforcing the payments ecosystem towards an increasingly digital economy. In the same context of digital economy, the growth in the issuing of digital certificates was noteworthy, with very significant growth rates, representing continued adherence to the digital trust service provided by SISP.

The modernization of the infrastructure included the substantial renovation of the older ATM and POS fleet, increasing the availability and quality of network services at the point of interaction with the customer. The reinforcement of the team, which grew from 59 to 63 members, allowed for a more agile response to market demands and the growth of operations. As part of this expansion, the Santo Antão Island Maintenance Center was created, improving local response capacity in the face of growing demand.

The company also renewed almost two dozen international certifications critical to the business and achieved four new ISO certifications (10.001, 10.002, 10.003, 10.004), focused on improving customer relations. A significant milestone was the TCDD certification of the new headquarters building project by the Uptime Institute, ensuring the necessary conditions for the next stages of tendering, contracting and supervision.

The net profit of CVE 352,527,075, in line with the business plan, was predictably lower than the previous year. This reduction reflects SISP's strategy of sustainable and balanced reduction of results, with the transfer of gains in scale and efficiency to clients, partners and stakeholders, through a reduction in tariffs (with an impact on revenues), an increase in shared commissions (with an impact on costs) and a greater distribution of dividends (with an impact on Equity).

In December, following a forum on the future of payment systems that was organized as part of the company's 25th anniversary celebrations, a protocol was signed with counterparts from Angola and São Tomé and Príncipe, strengthening the PALOP Atlantic corridor intended for

the exchange of experiences, partnerships and the strengthening of payment systems. Institutional communication was enhanced throughout the year with a greater presence on social networks, and a documentary was produced on SISP's 25th anniversary, an important documental record of the milestone, which was broadcast on the Television of Cabo Verde.

Within the scope of social responsibility, various institutions were supported, reinforcing the company's commitment to society. The continuous development of the teams through various measures ensured the conditions for the personal and professional growth of its Human Capital, the cornerstone of the company and its activity.

Thus, 2024 was consolidated as a year of growth, innovation and the strengthening of infrastructure and services, reinforcing SISP's position as a critical asset for the country's development and paving the way for future challenges and new achievements.

3. NATIONAL AND INTERNATIONAL ENVIRONMENT

The international context in 2024 continues to be influenced by a robust recovery in the tourism sector, which, after the impact of the pandemic, has stabilized and, in many cases, surpassed 2019 levels. Cabo Verde has, in particular, benefited from an increase in the flow of tourists, driven by growing demand for the *Morabeza* islands. Changes in consumer behavior, who are increasingly looking for accountable tourism and immersive experiences, have shaped the sector's offer.

However, challenges remain. Global economic instability, reflected in moderate growth and persistent levels of inflation, continues to impact the economies of many countries. Rising commodity costs, disruptions in supply chains and geopolitical uncertainties, including conflicts in various regions of the world, were all risk factors. Tensions between global powers, such as the US, Russia and China, and migratory crises, especially in Europe and the Mediterranean regions, keep demanding attention and action from the nations involved.

As far as the payments industry is concerned, digitalization continues to be a predominant trend. The emergence of new players, the increased use of mobile and digital payments, and growing concerns about cybersecurity are shaping innovations and regulations in the sector. In 2024, there will be an even sharper increase in the adoption of financial technologies, with companies investing in payment solutions that prioritize security and user experience.

The inflation rate in Cabo Verde has shown signs of easing from the high levels of 2023, with an average rate of around 1.4% over the year, down from 3.7% in 2023. This easing scenario has yet to be felt in terms of household purchasing power and in the economy in general, with the prices of essential goods and services putting high pressure on household budgets.

The labor market, meanwhile, is facing a challenging scenario. The emigration of young people in search of better opportunities abroad persisted in 2024, leading to a shortage of skilled labor in various industries, with an impact on the provision of several essential services. National companies are facing increasing competition, not only locally but also internationally, to retain talent. Many micro and small businesses continue to struggle to survive because of the difficulty in adapting to these changes.

The year 2024 presented significant opportunities, complex challenges that required a strategic and collaborative approach from local and international stakeholders to ensure sustainable and inclusive growth.

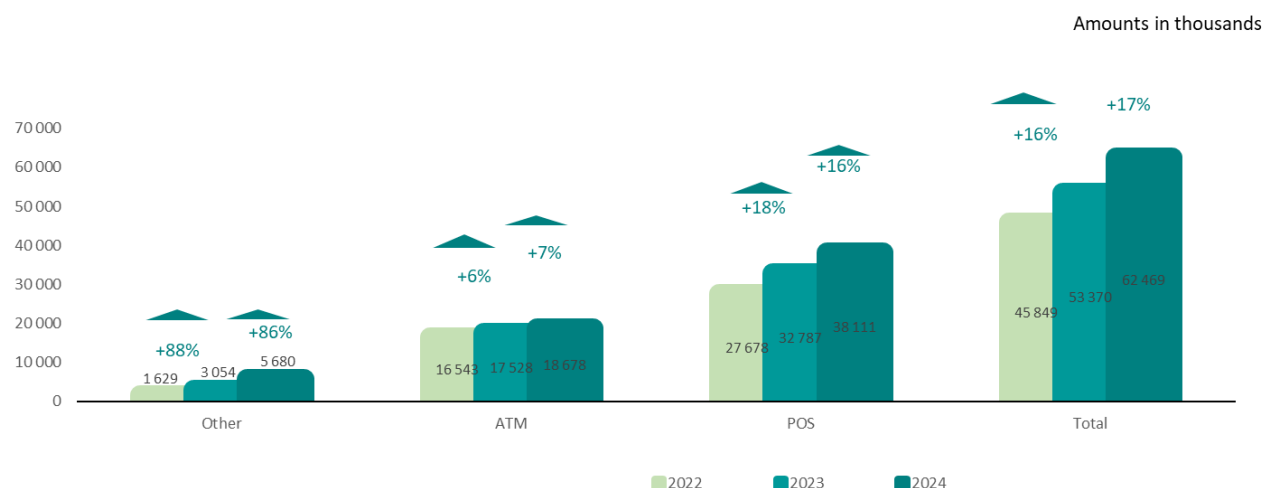
4. BUSINESS HIGHLIGHTS

4.1 Transaction processing and network management

In 2024, positive developments were seen in payment systems in all their forms (ATM, POS, cards, cell phones), as illustrated in the following tables and graphs.

Approximately 65.1 million transactions were processed, which represents an increase of 17 percent compared to 2023. The vinti4 network grew by 17 percent, while the other systems, such as TEF, Cheque Clearing and “Not on Us” operations (carried out on foreign networks), grew by a combined 22.7 percent.

Chart 2: Transactions processed by SISP



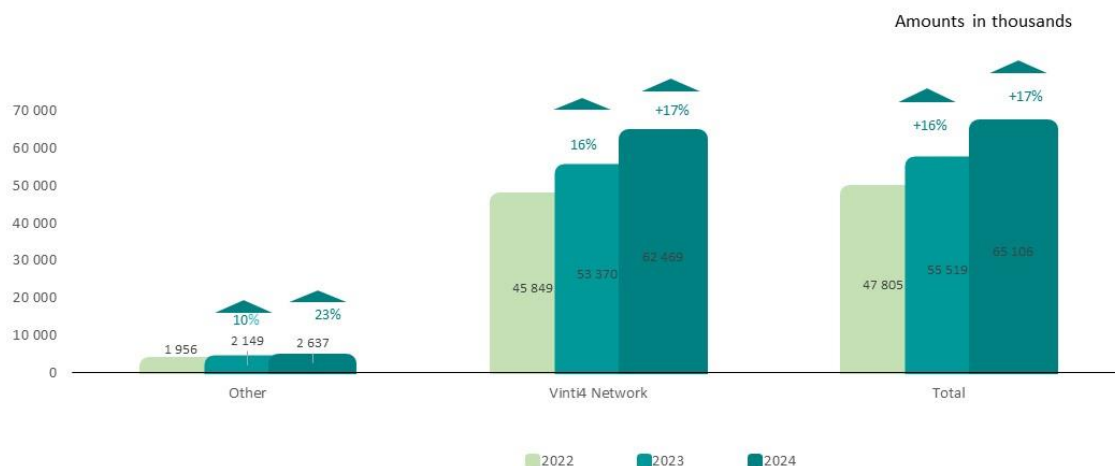
4.2 Profile of the vinti4 network

Transactions on the vinti4 network increased by 17 percent, settling at 62.4 million compared to 53.3 million in 2023.

The POS channel once again stood out as the most used on the vinti4 network, with a weight of 61 percent and a notable growth of 16.2 percent, followed by the ATM channel with a weight of 30 percent and a growth of 6.6 percent compared to the same period last year.

Transactions on “other channels”, namely Web, Host to Host (Internet Banking) and Mobile recorded a considerable increase of 86 percent, accounting for 9.1 percent of transactions on the network, representing the channels with the highest growth rates after the pandemic.

Chart 3: Transactions processed in the vinti4 network



In terms of the amount transacted, the total was 218.121 billion escudos, up 29 percent, with POS accounting for 50.8 percent, ATM accounting for 36.9 percent and other services accounting for 12.3 percent, mainly payments to the State and the payment of invoices. POS transactions grew by 19.2 percent and ATM transactions by 16.9 percent.

Table 1: Value of transactions processed in the vinti4 Network

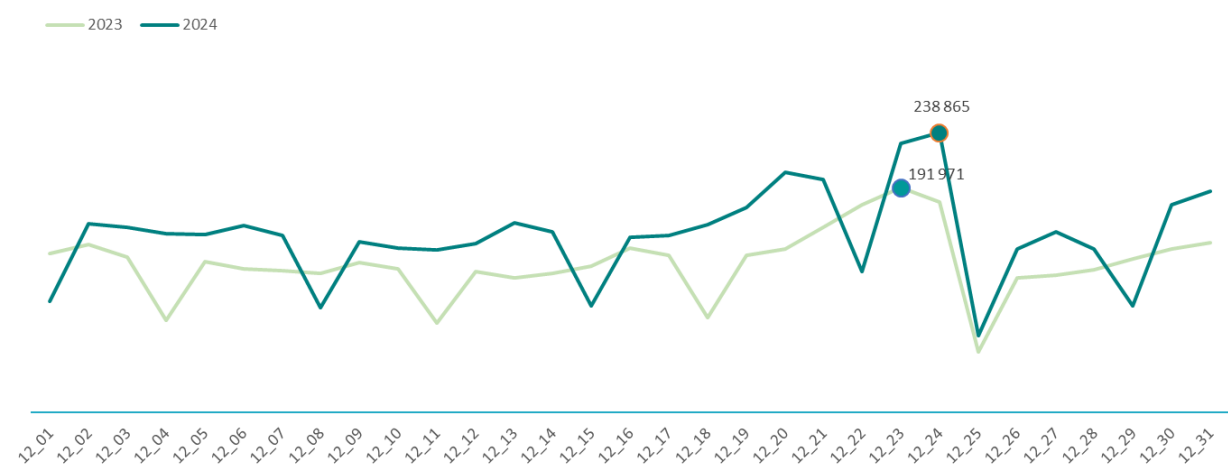
	(in million escudos)					
	2022	2023	2024	Change		Weight 2024
				2022/23	2023/24	
POS	80 737	93 013	110 841	15,2%	19,2%	50,8%
ATM	61 512	68 835	80 480	11,9%	16,9%	36,9%
Other	5 646	6 909	26 800	22,4%	287,9%	12,3%
Rede Vinti4	147 895	168 757	218 121	14,1%	29,3%	100,0%

Mobile phone, PC and H2H

The figures for December reflect the positive trend in the use of payment instruments. In that month, 4.6 million transactions were processed on the vinti4 network, involving withdrawals, purchases, service payments, web payments, mobile recharges, transfers and deposits, an increase of 19 percent on the previous year.

The peak for 2024 was on December 24, when a total of 238,800 transactions were processed, while in 2023 the peak reached a total of 191,900 transactions on the 23rd (a Saturday).

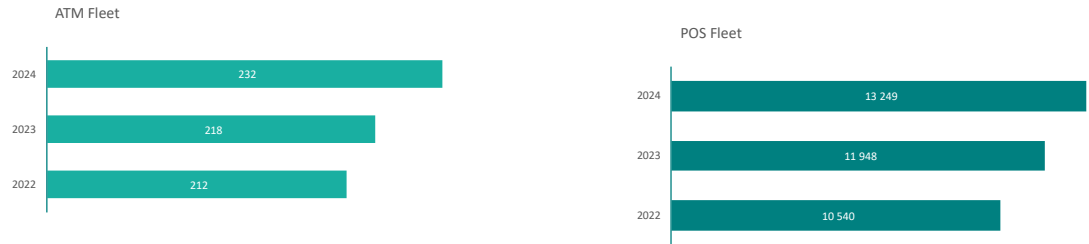
Chart 4: Number of transactions performed in December 2024

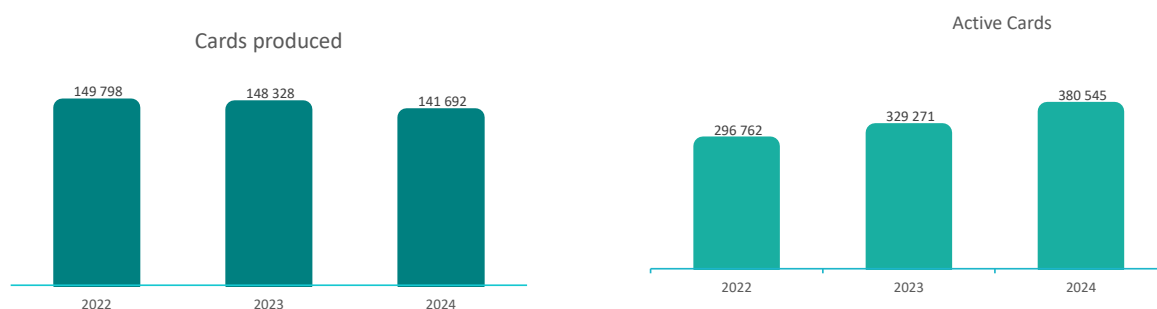


The number of POS terminals connected to the network has evolved moderately over the last 3 years, standing at 13,249 POS at the end of 2024, an increase of 11 percent (1,301 more active terminals) compared to the same period last year. The number of ATMs rose by 6 percent, with 14 more terminals than the previous year. However, in terms of ATM fleet renewal, the percentage was above 26 percent, with more than 61 ATMs having been replaced by new machines, in what represented the banks' biggest fleet renewal ever in the same financial year, reinforcing the renewal strategy supported by maintenance cost exemption tariffs for new ATMs in the first year and penalizing costs for ATMs more than 15 years old.

The number of cards produced was 141,692, equivalent to 4.5 percent less than in 2023 (6,636 fewer cards). In terms of active cards, there was an increase of 51,274 cards, thus maintaining the trend for the same period in the previous year. The change in card production demonstrates a certain maturity and saturation of the market, following the trend towards a reduction in accumulated private accounts, along with alternative mechanisms for renewing or extending card expiry dates.

Chart 5: Terminals and Cards





4.3 Geographical Coverage

ATM penetration across the country continues to be positive, with 14 more active terminals than in the previous year, as a result of the resumption of activities by hotel establishments and with banks expanding their presence through this channel, which is much sought after by the populations. The island of Santiago accounts for 47 percent of the fleet.

Most POS are installed on the island of Santiago, with 45.6 percent of the total terminals installed, followed by the islands of São Vicente and Sal, with 18 and 15 percent, respectively.

The total number of POS terminals installed by the end of 2024 was 13.249.

Chart 6: Geographical Coverage of Terminals

ISLANDS OF CV	ATM	POS
Santo Antão	12	810
São Vicente	33	2.420
São Nicolau	6	297
Sal	39	1.975
Boa Vista	15	890
Maio	3	194
Santiago	109	6.049
Fogo	12	521
Brava	3	93
Total	232	13.249

4.4 Automated Payment

The POS network sustained the growth trend of recent years, with an increase of 1,301 terminals compared to 2023, closing the year with 13,249 terminals installed across the country, covering the most diverse sectors of activity.

The total number of POS transactions reached 38,1 million, 16.2 percent higher than the 32,7 million recorded in 2023.

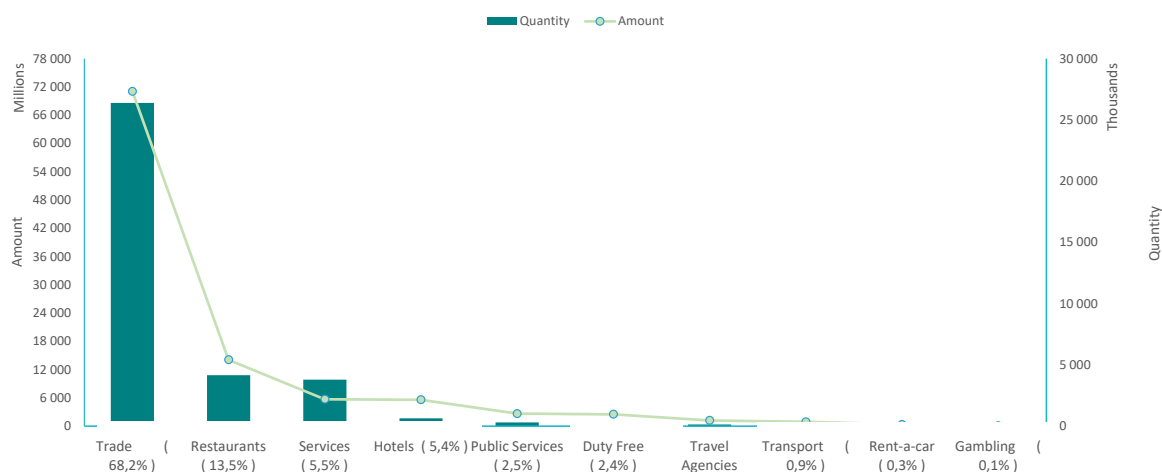
Purchase transactions are the most frequent on the channel and represent 94 percent of POS transactions in 2024, with a recorded growth of 16.5 percent compared to last year.

Table 2: Transactions at Automatic Payment Terminals

	2022	2023	2024	Change		Weight 2024
				2022/23	2023/24	
Purchases	25 920 205	30 751 577	35 835 455	18,6%	16,5%	94,0%
Balance Inquiry	1 196 463	1 333 859	1 483 194	11,5%	11,2%	3,9%
Mobile Phone Recharges	142 070	181 528	217 340	27,8%	19,7%	0,6%
Other Transactions	418 837	520 298	574 775	24,2%	10,5%	1,5%
Total	27 677 575	32 787 262	38 110 764	18,5%	16,2%	100,0%

The trade sector continues to dominate in 2024 in terms of payments made, with 68.2 percent, followed by restaurants with 13.5 percent and services with 5.5 percent.

Chart 7: Purchases per Line of Business



Card payments continue to be preferred by the network's customers, with the Purchase/Withdrawal ratio in December standing at 411 percent, compared to 349 percent in the same period in 2023.

The average value of purchases at POS in December 2024 was 3,007 escudos per purchase, equivalent to the 3,004 escudos recorded in the same period in the previous year, suggesting that Cabo-Verdeans are increasingly using cards for low-value purchases instead of cash.

4.5 Automated Teller Machines

ATMs recorded 18,6 million transactions, accounting for 36.9 percent of the network's transactions, an increase of 6.6 percent year-on-year.

Withdrawals continue to be the most popular transaction on the channel, with 51.4 percent of the weight, followed by balance inquiries and transactions, with 33.2 and 9.3 percent respectively.

Table 3: Transactions at Automated Teller Machines

	2022	2023	2024	Change		Weight 2024
				2022/23	2023/24	
Withdrawal	8 538 237	9 009 083	9 607 661	5,5%	6,6%	51,4%
Account Balance Inquiry	5 521 048	5 813 972	6 206 198	5,3%	6,7%	33,2%
Transaction Viewing	1 596 425	1 683 687	1 730 650	5,5%	2,8%	9,3%
Mobile Phone Recharges	332 593	334 125	309 023	0,5%	-7,5%	1,7%
Deposit	4 710	2 649	6 708	-43,8%	153,2%	0,0%
Other	549 766	684 662	818 093	24,5%	19,5%	4,4%
Total	16 542 779	17 528 178	18 678 333	6,0%	6,6%	100,0%

The average for each ATM withdrawal in December 2024 was 5,831 escudos, compared to 5,867 escudos in the same period of the previous year.

4.6 International Acquiring

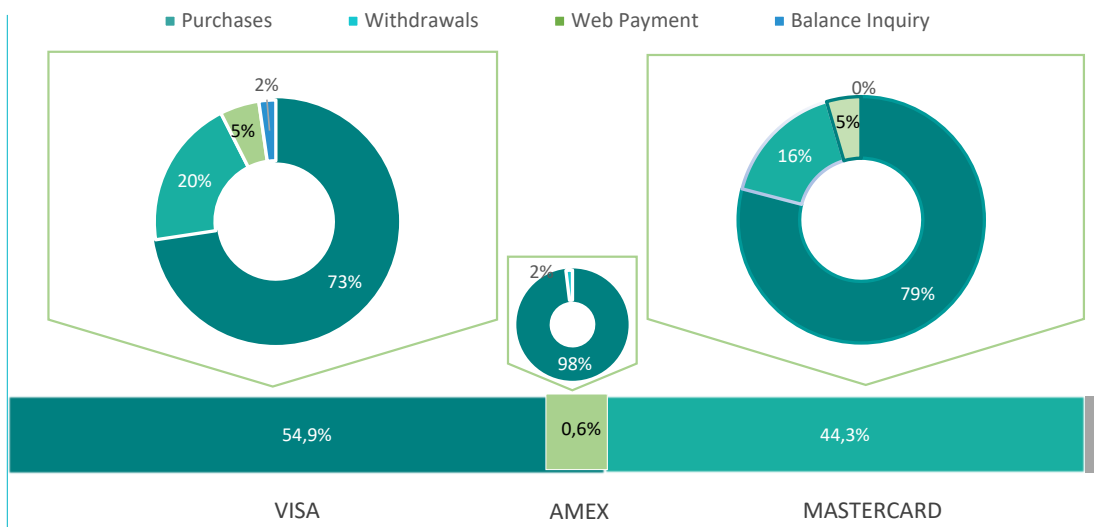
The growth trend continued in 2024 in the International Acquiring service, with the resumption of tourism and hotels' activities in the country sustaining the growth seen in previous years with an increase in the number of operations of 34 percent compared to the same period last year, surpassing 3,4 million operations.

Visa remains the most widely used international brand in the country, accounting for 55 percent of the transactions, compared to 44 percent for MasterCard. In 2024, 28,127 AMEX card transactions were recorded, compared to 14,711 in 2023. The percentage of AMEX transactions jumped to 0.8 percent of total international card transactions, showing the growth of the brand's penetration in the domestic market and confirming the strategy of

including the brand in the international acceptance portfolio, as a mechanism for attracting a differentiated niche of loyal tourists with high added value for the country.

As has been the case with the vinti4 service and the trend of previous years, purchases with international cards are increasingly gaining weight in relation to withdrawals from ATMs, because of the strategy to massify this service that began in recent years, with a view to providing the increasingly touristy country with a network that accepts international cards in all sectors of activity.

Chart 8: Transactions with not-on-us cards in 2024



4.7 Service Payment

The Service Payment functionality continued to grow by around 21 percent as regards the amount and 17.5 percent in terms of the number of transactions, when compared to the same period in the previous year, after a significant increase in 2023 in the volume transacted of around 238 percent.

The average per payment was CVE 24,959 in 2024 and CVE 24,151 in 2023.

Table 4: Service Payment Transactions

	2024	Change
--	------	--------

	2022	2023		2022/23	2023/24
Quantity	760 199	939 043	1 103 335	23,5%	17,5%
Amount (millions of escudos)	6 701	22 679	27 539	238,5%	21,4%

4.8 Sale of mobile phone recharges

The sales of recharges continued to grow by 18 percent in the number of transactions and in volume.

Table 5: Mobile Phone Recharges

	2022	2023	2024	Change	
				2022/23	2023/24
Quantity	1 320 744	1 572 567	1 860 682	19,1%	18,3%
Amount	713 346 676	860 384 699	1 015 077 764	20,6%	18,0%

4.9 Web payment

Web payments in 2024 indicated a growth of 31.4 percent in the number of transactions and 6 percent in volume when compared to 2023. The increase is essentially due to international card transactions.

Table 6: Web Payment Transactions

	2022	2023	2024	Change	
				2022/23	2023/24
Quantity	287 097	324 025	425 921	12,9%	31,4%
Amount	1 956 828 578	2 400 253 237	2 534 985 527	22,7%	5,6%

4.10 Televinti4

The cell phone channel, through the televinti4 service, stands out as the fastest-growing service in 2024, surpassing 3.9 million operations, with a focus on operations such as transfers and payment of services, which demonstrates the growing acceptance of the service owing to its continuous dissemination among users.

Balance inquiry still has the highest acceptance, at 62 percent. As for amounts, the transfer operation accounts for approximately 93 percent of the total.

In what concerns customers, growth continues to be strong for both active registered clients and clients with transactions when compared to the same period in 2023.

Table 7: Televinti4

	2022	2023	2024	Change	
				2022/23	2023/24
Customers w/transaction	2 574	6 624	12 103	157,3%	82,7%
Active Customers	6000	14 722	24 961	145,4%	69,5%
Number of Transactions	384 449	1 564 670	3 927 286	307,0%	151,0%
Volume	469 705 231	3 265 169 062	8 813 735 253	595,2%	169,9%

4.11 Electronic Fund Transfer (TEF)

In 2024, the TEF Service benefitted from growth either in the number of transactions and in volume, compared to the previous year, of 15 percent and 13 percent, respectively.

Table 8: Electronic Fund Transfer Transactions

	2022	2023	2024	Change	
				2022/23	2023/24
Quantity	1 159 511	1 161 387	1 335 978	0,2%	15,0%
Amount (millions of escudos)	178 471	180 324	203 948	1,0%	13,1%

4.12 Cheque Clearing

The Cheque Clearing service saw a downward trend not only in the number of transactions but also in volume, compared to the previous year of 4 percent and 1 percent, respectively.

Table 9: Cheque Clearing Transactions

	2022	2023	2024	Change	
				2022/23	2023/24
Quantity	264 879	249 347	239 385	-5,9%	-4,0%
Amount (millions of escudos)	69 492	73 213	72 552	5,4%	-0,9%

4.13 SWIFT Service

In 2024, the service saw a moderate increase both in messages forwarded and messages received, by around 14,9 and 7,2 percent, respectively, compared to the previous year.

Table 10: SWIFT Transactions

	2022	2023	2024	Change	
				2022/23	2023/24
Messages Forwarded	296 150	299 098	343 528	1,0%	14,9%
Messages Received	294 087	307 936	330 182	4,7%	7,2%
	590 237	607 034	673 710	2,8%	11,0%

4.14 Digital Certificate Service

The PKI (Public Key Infrastructure) service, which issues digital certificates, experienced a very positive growth in the number of issues and timestamp operations, of approximately 22 percent, as evidenced below:

Table 11: Digital Certificate Services

	2023	2024
Web Authentication	48	47
Individual Qualified Signature	2682	2904
Qualified Signature representing Legal Entity	31	166
Electronic Stamp	8773	8 578
Individual Authentication	0	0
Timestamp	41 694 920	50 963 175
Total	41 706 454	50 974 870

4.15 Infrastructure and Technology

In 2024, SISP continued its commitment to excellence in infrastructure and technology, maintaining a persistent focus on alignment with international best practices in the areas of security, continuity and quality of service. The year was marked by the renewal of critical security certifications, including PCI-CP, PCI-DSS, PCI 3DS, ISO 9001, ISO 27001, ISO 22301, PKI, SWIFT, American Express SafeKey and the DCC for Visa and MasterCard and the achievement of four new certifications focused on best practices in customer satisfaction management, namely ISO 10001/10002/10003/10004.

Faced with a global panorama of increasing cyber risks, SISP not only reinforced its security infrastructure, but also expanded collaboration with a specialized external team and established a robust Security Operating Center service and a Cyber Security Incident Response Team.

Communication about services, security and fraud prevention was intensified through social networks, radio and television, and the physical conditions of service were improved, with an eye on innovations, security and the continuous improvement of its services and operations.

Significant initiatives to migrate state-of-the-art tools continued, aimed at increasing efficiency in the operations of the various teams, including Support Center, Service Operation, Terminal Management, Internal Control, Human Capital Management, Administrative and Financial Management, Product, Service and Customer Management, and Information Systems.

As far as employees are concerned, the improvements in working conditions were notable, with the approval of an ambitious package that includes various benefits, salary increases and career progression mechanisms.

4.16 Human Capital

SISP ended 2024 with a total workforce of 63 employees, 42 permanent and 21 fixed-term, four more than in 2023. There were 6 admissions and 2 voluntary contract terminations.

The staff structure continues to be distributed throughout most of the country, more precisely in Praia and the delegations in São Vicente, Santo Antão (newly created center), Sal, Boa Vista, Fogo\Brava and Santiago North. The head office in Praia shelters 87 percent of the employees.

The predominance of male technicians in the company remains at around 62 percent, while in 2023 this percentage was 61 percent. It should be noted that with the hiring of a female technician in the Information Systems team, the company now has at least one female employee in each team.

As for age range and gender, the employees are distributed as follows:

Chart 9: Age Range and Gender Distribution

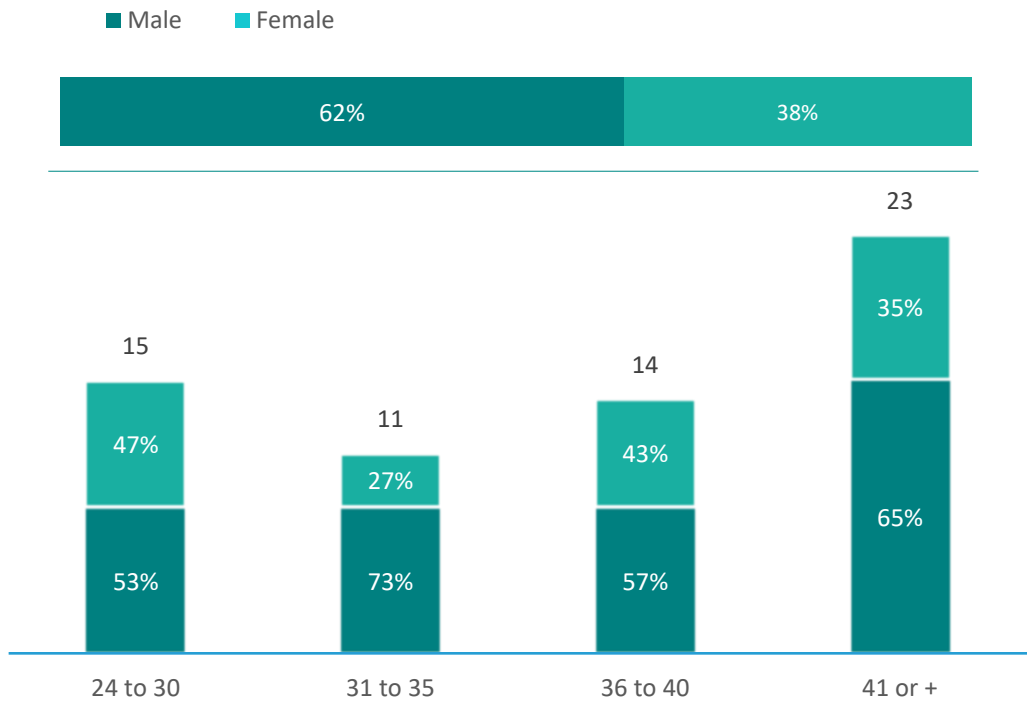
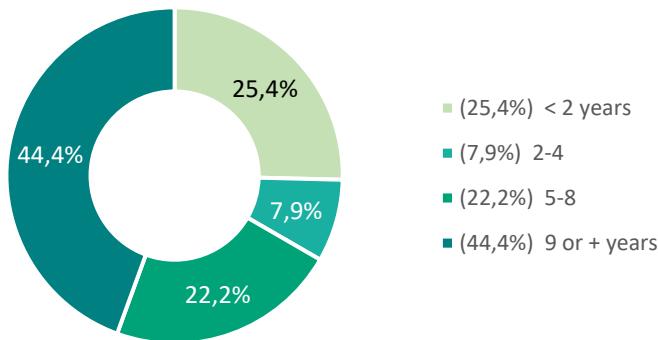


Chart 10: Distribution by Seniority Level



4.16.1 Development and Training

The Strategic Human Capital Management policy continues to focus on skills management and know-how. With this, emphasis is placed on valuing versatility, creativity, adaptability, self-learning and openness to change, which are important factors in guaranteeing redundancy and business continuity in small companies with high availability, as is the case with SISP.

Training is one of the pillars of SISP's human capital development strategy, both individually and collectively. Thus, 22 training sessions were held during the year in different areas of knowledge, benefiting a total of 59 participants.

The training courses covered different topics, including information security, database administration, ATM maintenance, dispute resolution, anti-fraud controls, English language, among others.

As regards the type of courses attended, 86% were held remotely and 14% face-to-face. Of the remote courses, 53% counted on a trainer and 47% were based on self-study (recorded online).

4.17 Risk Management and Internal Control

The activities of the Internal Control team, made up of the Internal Audit, Quality & Risk and Legal & Compliance areas, continued along the path of continuous improvement and gradual reinforcement of processes that cut across the entire company, despite the greater focus on the most critical elements. Basically, the team ensured the required follow-up in the processes of:

- Implementation of the annual audit plan (internal and external)
- Continuous improvement of the Integrated Management System (SIG)
- Renewal of critical international and national certifications
- Obtaining new ISO certifications
- Follow-up on business continuity tests
- Updating regulatory and legal compliance requirements
- Legal support

In addition, internal control deficiencies were managed with the aim of reducing or eliminating them where possible. Important efforts were made to simplify and automate processes and reports, namely through the migration project to the new automated management tool, to improve process management and the entire Integrated Management System (SIG).

4.18 Investment

In 2024, a total of 232.1 million escudos was invested, representing 13.5 percent of the operating revenues, while in 2023 the ratio was 9 percent for investments of 146.3 million escudos.

The investments basically include the acquisition of payment terminals, equipment and software to reinforce high availability and improve service, hardware (servers, processors), and an additional 2.6 million escudos for the new headquarters building project.

Table 12: Investment

Description	Planned (CVE)	Executed (CVE)	Completion Rate
Intangible assets	84 000 000	52 464 475	62,50%
Tangible assets	181 000 000	177 020 652	97,80%
Sub-Total	265 000 000	229 485 127	86,60%
Project and Start of Construction (65%)	261 000 000	2 635 432	1,00%
TOTAL	526 000 000	232 120 559	

Financing was entirely ensured with SISP's own resources and funds.

5. ECONOMIC AND FINANCIAL REVIEW

As with transactions, revenues from services increased by 6.9%, totaling 1.7 billion escudos in 2024.

In turn, net profit fell by around 63.4 million escudos compared to 2023, standing at 352.5 million escudos. This decrease stems from the strategy implemented for the year of reducing and setting a maximum limit on results by reducing revenues through tariff decrease and increasing costs through the increase in commissions to be shared with banks.

Table 13: Income Statement

Statement of Comprehensive Income as at December 31, 2024 and 2023

(Amounts expressed in Cabo Verdean Escudos)

Description	Notes	12/31/2024	12/31/2023	Abs. Change	% of Change
Provision of services and sales	14	1 717 489 422	1 606 645 157	110 844 265	6,90%
Cost of goods sold and materials consumed	7	(58 937 507)	(75 346 809)	16 409 302	21,78%
Gross operating income		1 658 551 915	1 531 298 348	127 253 567	8,31%
External supplies and services	15	1 015 782 066	796 305 182	219 476 884	27,56%
Gross value added		642 769 849	734 993 166	(92 223 317)	-12,55%
Staff costs	16	157 235 146	138 630 875	18 604 271	13,42%
Provisions for the year - (reductions)	10	-	-	0	-100,00%
Fair value increases / reductions	6	145 783 996	82 889 841	62 894 155	75,88%
Impairment of assets	10	(9 502 123)	(11 969 729)	2 467 606	-20,62%
Other costs	17	30 039 900	24 500 857	5 539 044	22,61%
Other income and gains	17	1 109 479	7 539 453	(6 429 975)	-85,28%
Income before amortization, financial loss and gain and tax - EBITDA		592 886 154	650 321 000	(57 434 846)	-8,83%
Depreciation and amortization costs	5	134 361 850	111 516 313	22 845 537	20,49%
Operating income (before financing losses/gains and tax) - EBIT		458 524 304	538 804 687	(80 280 383)	-14,90%
Interest and gains received	18	4 278 505	3 617 885	660 620	18,26%
Interest and loss paid	18	(13 040 286)	(7 123 379)	(5 916 907)	83,06%
Income before Tax		449 762 523	535 299 193	(85 536 670)	-15,98%
Income Tax for the Year	19	(97 235 448)	(119 297 787)	22 062 340	-18,49%
Net Earnings for the Year		352 527 075	416 001 405	(63 474 330)	-15,26%

5.1 Gross Value Added

Gross value added in 2024 fell by 12.5% to 642.8 million escudos. Compared to the CVE 735 million obtained in 2023, this represents an absolute drop of CVE 92.2 million. This negative evolution compared to the previous year is due to the increase in operating costs, which grew at a faster rate than operating income, owing to the increase in direct expenses associated with the increase in transactions, as well as to the worsening cost structure of services such as Visa and MasterCard in addition to the planned decrease in revenue through the reduction in service tariffs.

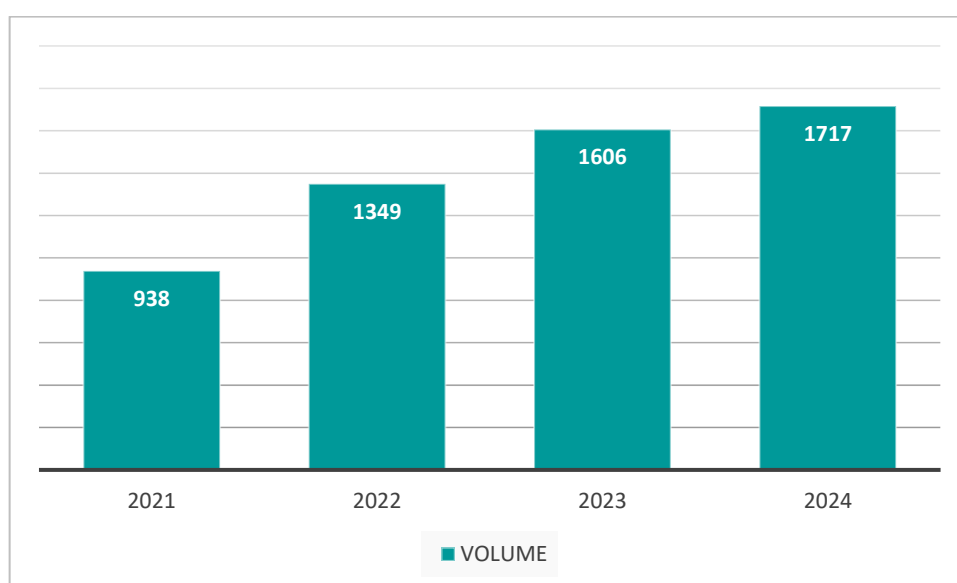
5.2 Income

Total income in 2024 amounted to 1,868.7 million escudos, which corresponds to a growth of 9.9 percent, representing an absolute increase of 168 million over the previous year.

Both the increase in SISP's main service revenues, namely the Automatic Payment service, and the appreciation in the fair value of the Visa shares held by SISP contributed to this increase.

Income from services and sales amounted to 1,717.5 million escudos, reflecting an increase of 110.8 million escudos compared to 2023, with the Automatic Payment service accounting for approximately 91.3 percent of this growth.

Chart 11: Provision of Services in Millions of CVE



5.3 Other income and gains

The gain due to the increase in the fair value of SISP's stake in Visa's share capital was 145.8 million escudos (market value update as of December 31, 2024), a much higher gain than that recorded in 2023, which corresponded to 82.8 million escudos.

In 2024 and 2023, the other income stood at CVE 1.1 million and CVE 7.5 million, respectively, essentially due to disposals of tangible fixed assets and prior-year adjustments.

Financing gains, derived from term deposits and similar, totaled 4.3 million escudos, a positive variation of 18.2 percent compared to the previous year.

5.4 Expenditures

Total expenses, including the main cost items, namely "External Supplies and Services", "Personnel Expenses" and "Depreciation", rose by 21.8 percent (+253.5 million escudos) year-on-year to 1,418.9 million escudos.

This increase is mainly due to the increase in external service expenses, *i.e.*, direct service expenses (commissions for acquiring services and POS purchase commissions), which are directly associated with the increase in revenue.

The following table shows the composition of expenses and their respective evolution over the two years:

Table 14: Expenditures

	2 024	2023	Absolute Change	% of Change
Total	1 418 898 878	1 165 393 144	253 505 735	21,75%
Costs with goods sold and materials consumed	58 937 507	75 346 809	-16 409 302	-21,78%
External supplies and services	1 015 782 066	796 305 182	219 476 884	27,56%
Staff costs	157 235 146	138 630 875	18 604 271	13,42%
Impairment of assets	9 502 123	11 969 729	-2 467 606	-20,62%
Other costs	30 039 900	24 500 857	5 539 044	22,61%
Depreciation and amortization costs	134 361 850	111 516 313	22 845 537	20,49%
Interest and loss paid	13 040 286	7 123 379	5 916 907	83,06%

Personnel costs reached 157.2 million escudos, an increase of 18.6 million escudos compared to 2023. This variation is related to salary updates, progressions, reclassifications, hirings and bonuses recorded in the period.

The ratio of Personnel Costs to Services Rendered stood at 9.2 percent and 8.6 percent in 2024 and 2023, respectively (an increase of 0.6 p.p.), with personnel costs representing around 11.1 percent of the company's total costs in 2024, compared to 11.9 percent last year.

Depreciation costs increased by 20.5 percent to 134.4 million escudos, due to significant investments in fixed assets in the period and in recent years.

The CAPEX/operating income ratio stood at 13.5 percent (9 percent in 2023), with depreciation and amortization expenses accounting for 7.8 percent and 6.9 percent of total income in 2024 and 2023, respectively.

The item “Impairment”, in the amount of CVE 9.5 million, includes doubtful debt provisions for customers and impairment of other assets, with a decrease of CVE 2.5 million compared to the same period in the previous year.

Comparing the costs of goods sold and materials consumed with those recorded in 2023, a considerable decrease of around 16.4 million escudos is noticeable, due to the reduction in the costs of ATM machines acquired for sale to banks in 2024.

Other costs and losses

The heading “Other Expenses”, of CVE 30 million (CVE 24.5 million in 2023), essentially includes stamp duty, subscriptions and donations. The increase is associated with stamp duty derived from associated income.

Interest and losses incurred include interest on SISP's bank guarantee with commercial banks and exchange rate differences in the international settlement service, totaling 13 million escudos in 2024. This figure represents an increase of 5.9 million compared to 2023 and is related to the late recording of some interest from previous years connected with this guarantee.

5.5 Net Income for the Year

Net income in 2024 stood at 352.5 million escudos, with a negative variation of 15.2 percent, 63.5 million escudos less than in the same period in the previous year. Contributing to this result was, on the one hand, an increase in the fair value of VISA shares of 62.9 million escudos compared to the same period in the previous year and, on the other hand, the increase in operating expenses to a greater extent than operating income for the strategic and operational reasons already mentioned.

As a result of the increase in operating expenses, which was higher than that recorded in revenues, EBITDA fell by 8.8 percent from 2023 to 2024, standing at 592.9 million escudos (650.3 million escudos last year).

6. FINANCIAL SITUATION

6.1 Balance Sheet Position

Net Assets in 2024 amounted to 2,376.6 million escudos, which corresponds to a decrease of 9 percent and 235.1 million escudos compared to the absolute value recorded in 2023. This change was mainly due to a decrease of 477.5 million escudos in current assets (customer debts, essentially from international settlements, and cash and cash equivalents). Total net assets in 2023 were 2,611.7 million escudos.

Table 15: Balance Sheet Position

Assets	12/31/2024	12/31/2023	Abs. Change	% of Change
Non-current assets	1 016 764 061	774 385 727	242 378 334	31,30%
Tangible fixed assets	272 474 993	192 516 313	79 958 680	41,53%
Intangible assets	100 614 235	83 978 577	16 635 658	19,81%
Financial Investment	643 674 833	497 890 837	145 783 996	29,28%
Current Assets	1 359 927 211	1 837 382 955	(477 455 744)	-25,99%
Inventories	43 615 832	42 476 782	1 139 050	2,68%
Short-term debts	467 305 967	735 428 724	(268 122 757)	-36,46%
State and other public bodies	0	-	0	
Bank deposits	849 005 412	1 059 477 449	(210 472 037)	-19,87%
Total Assets	2 376 691 272	2 611 768 682	(235 077 410)	-9,00%
Owner Equity	1 766 252 449	1 746 526 497	19 725 951	1,13%
Share capital and reserves	1 260 025 373	1 176 825 092	83 200 281	7,07%
Issuance premiums	153 700 000	153 700 000	0	
Net Earnings for the Year	352 527 075	416 001 405	(63 474 330)	-15,26%
Liabilities	610 438 824	865 242 185	(254 803 361)	-29,45%
Non-current liabilities	-	0	0	#DIV/0!
Current Liabilities	610 438 824	865 242 185	(254 803 361)	-29,45%
Owner Equity + Liabilities	2 376 691 272	2 611 768 682	(235 077 410)	-9,00%

Equity increased by 19.7 million escudos in 2024, an increase of 1.1 percent. This variation is the result of the incorporation of 20 percent of the net profits achieved in 2023 (in free reserves) and partly offset by the impact of the decrease in net income in 2024 of 63.4 million escudos.

Total liabilities, which are entirely current, including the temporary clearing debt associated with the acquiring business, showed relative and absolute decreases compared to the same period last year, of 29.5 percent and 255 million escudos respectively, reaching an accumulated balance of 610.4 million escudos at the end of the year. This variation chiefly results from the clearing amount of Banco de Cabo Verde outstanding at the end of the period.

The change in current liabilities is in line with the change in current assets (cash and cash equivalents).

6.2 Ratio Assessment

When analyzing the company's ratios compared to the previous year, a slight decrease can be seen in some financial ratios. However, it is important to note that these ratios remain at very positive levels, reflecting the company's solidity and efficiency. This decrease mirrors the strategy implemented for the year, of a sustainable and balanced reduction in results, with the transfer of gains in scale and efficiency to stakeholders.

Return on Assets (ROA) and Return on Equity (ROE) reached 14.8% and 20% respectively in 2024, compared to 15.9% and 23.8% in 2023. This drop is a direct reflection of the slowdown in Net Profit for the year, which impacted overall profitability.

The efficiency ratio - Cost-to-Income - which relates operating costs to income, stood at 79.93% in 2024, compared to 68.5% in 2023, indicating a slight reduction in operating efficiency, largely influenced by direct costs whose increase is related to the increase in network transactions.

In addition, the ratio of Personnel Expenses to Income from Services also increased, moving from 8.6% in 2023 to 8.4% in 2024, while the Personnel Expenses / Expenses ratio went from 11.8% to 10.37%. The variation in the former suggests an increase in the ratio of personnel costs to revenues, which, despite being well below that observed in the sector, will continue to be monitored to ensure both the retention and attractiveness of talent and the long-term sustainability of operations.

In short, the slight decrease in the financial ratios echoes the implementation of the strategy adopted for the year, with the company maintaining a solid position at all levels.

6.3 Management Indicators

The EBITDA Profitability Indicator (excluding the impact of fair value, impairments and provisions) fell by 21.1 percent.

From a prudential point of view, SISP continues to have a very solid situation. In 2024, own funds reached 1,347 million escudos, the Fixed Assets Coverage ratio 593 percent and the Solvency ratio 54.3 percent, still well above the minimum required by the Banco de Cabo Verde.

Table 16: Management Indicators

(in millions of CVE)				
Ratios	2024	2023	2022	Change
Profitability				
EBITDA	456,6 mCVE	579,4 mCVE	501,6mCVE	-21,19%
Return on Equity	19,96%	23,82%	21,23%	-16,21%
Return on Assets (ROA)	14,83%	15,93%	15,04%	-6,89%
Net Return on Sales	20,53%	25,89%	21,65%	-20,72%
Operational Efficiency				
Average Period of Receivables	67	57	59	18,02%
Overall Liquidity	2,23	2,12	2,27	5,08%
Reduced Liquidity	2,16	2,07	2,12	4,17%
Immediate Cash Flow	1,39	1,22	1,32	14,00%
Staff costs / Costs	0,104	0,12	0,13	-12,82%
Staff costs / Revenues	0,084	0,086	0,10	-2,48%
Prudential Indicators				
Equity	1.500,7 mCVE	1.438 mCVE	1.327,5 mCV	4,36%
Solvency	66,7%	68,8%	70,9%	-3,1%
Coverage of Fixed Assets	512,5%	889,6%	834,8%	-42,4%

6.4 Proposal for the Appropriation of Net Income

In 2024, SISP presented a net profit of CVE 352,527,075.

Considering the dividend distribution policy and using the prerogative granted by Law and by the Company's Bylaws, the Board of Directors proposes to the General Meeting of Shareholders that, under the terms set forth in the applicable legal and statutory provisions, the Net Earnings for the financial year 2024, be distributed as follows:

Table 17: Proposal for the Appropriation of Net Income

	%	Amount
Dividends	90%	317 274 368 CVE
Free Reserves	10%	35 252 708 CVE
Total		352 527 075 CVE

In compliance with the legal and prudential reserves and given the satisfactory degree of capitalization of the company, the Board of Directors decided to propose a distribution of dividends at 90%, being 10% allocated to Free Reserves.

The Board of Directors believes that this proposal is appropriate, considering the positive evolution of the company's equity situation, the sustainability of net results and the improvement in the quality of assets, strengthening the Institution's own funds and ensuring the return on invested capital, which is an essential indicator in any solid Institution, without neglecting the prudential principle of caution in medium-term management with the reinforcement of reserves, particularly in the face of the uncertainties brought about by the international context or the construction of the new headquarter building whose budget, in the current context, has undergone significant increases compared to those initially planned.

6.5 Financial Statements

Statement of Comprehensive Income as at December 31, 2024 and 2023

(Amounts expressed in Cabo Verdean Escudos)

Items	Notes	12/31/2024	12/31/2023	Change 24/23	% of Change 24/23
Provision of services and sales	14	1 717 489 422	1 606 645 157	110 844 265	6,90%
Costs with goods sold and materials consumed	7	(58 937 507)	(75 346 809)	16 409 302	21,78%
Gross Operating Income		1 658 551 915	1 531 298 348	127 253 567	8,31%
External supplies and services		1 015 782 066	796 305 182	219 476 884	27,56%
Gross Value Added		642 769 849	734 993 166	(92 223 317)	-12,55%
Staff costs	16	157 235 146	138 630 875	18 604 271	13,42%
Remuneration	16	119 252 567	107 140 006	12 112 561	11,31%
Social charges	16	18 270 267	15 016 183	3 254 084	21,67%
Training	16	5 384 437	6 970 519	(1 586 082)	-22,75%
Productivity Bonus	16	10 381 937	6 204 106	4 177 831	67,34%
Insurance	16	1 935 648	1 651 386	284 262	17,21%
Other staff costs	16	2 010 290	1 648 675	361 615	21,93%
Inventory adjustments - Increases	7 e 10	(1 948 502)	(5 671 502)	3 723 000	-65,64%
Fair value increases/decreases	6	145 783 996	82 889 841	62 894 155	75,88%
Customer impairment adjustments / Other debtors	10	(7 553 621)	(6 298 227)	(1 255 394)	19,93%
Other Costs	17	30 039 900	24 500 857	5 539 044	22,61%
Other income and gains	17	1 109 479	7 539 453	(6 429 975)	-85,28%
Income before amortization, financing losses/gains and tax		592 886 154	650 321 000	(57 434 846)	-8,83%
Depreciation and amortization costs	5	134 361 850	111 516 313	22 845 537	20,49%
Intangible assets	5	35 828 817	27 059 425	8 769 392	32,41%
Tangible fixed assets	5	98 533 033	84 456 888	14 076 145	16,67%
Operating income (before financing losses/gains and tax)		458 524 304	538 804 687	(80 280 383)	-14,90%
Interest and gains received	18	4 278 505	3 617 885	660 620	18,26%
Interest and loss paid	18	(13 040 286)	(7 123 379)	(5 916 907)	-83,06%
Income before tax		449 762 523	535 299 193	(85 536 670)	-15,98%
Income Tax for the Year	19	(97 235 448)	(119 297 787)	22 062 340	18,49%
Net Earnings for the Year		352 527 075	416 001 405	(63 474 330)	-15,26%

Balance Sheets as at December 31, 2024 and 2023
(Amounts expressed in Cabo Verdean Escudos)

Items	Notes	12/31/2024	12/31/2023	Change 24/23	% of Change
ASSETS					
Non-current assets					
Tangible fixed assets	5	272 474 993	192 516 313	79 958 680	41,5%
Land		10 324 248	10 324 248	0	0,0%
Buildings and other construction		689 665	2 913 400	(2 223 735)	-76,3%
Basic equipment		167 021 858	121 869 685	45 152 173	37,0%
Transport equipment		13 656 006	16 688 771	(3 032 765)	-18,2%
Office equipment		3 270 506	2 754 336	516 170	18,7%
Tools and utensils					
Advances for tangible fixed assets		77 512 710	37 965 873	39 546 837	104,2%
Intangible assets	5	100 614 235	83 978 577	16 635 658	19,8%
Computer programs (Software)		80 273 423	52 714 963	27 558 460	52,3%
Advances for intangible assets		20 340 812	31 263 614	(10 922 802)	-34,9%
Financial Investment - Other methods	6	643 674 833	497 890 837	145 783 996	29,3%
Capital shares		643 674 833	497 890 837	145 783 996	29,3%
Total non-current assets		1 016 764 061	774 385 727	242 378 334	31,3%
Current assets					
Inventories	7	43 615 832	42 476 782	1 139 050	2,7%
Goods	7	1 977 644	5 709 726	(3 732 082)	-65,4%
Raw materials, subsidiary and consumables	7	41 638 188	36 767 056	4 871 132	13,2%
Customers	11	288 792 836	497 598 548	(208 805 712)	-42,0%
Other accounts receivable	11	121 737 375	191 414 949	(69 677 574)	-36,4%
Deferrals	8	56 775 756	46 415 227	10 360 529	22,3%
Bank deposits	4	849 005 412	1 059 477 449	(210 472 037)	-19,9%
Total current assets		1 359 927 211	1 837 382 955	(477 455 744)	-26,0%
Total assets		2 376 691 272	2 611 768 682	(235 077 410)	-9,0%
NET POSITION & LIABILITIES					
OWNER EQUITY					
Capital	9	105 000 000	105 000 000	0	0,0%
Share issuance premiums		153 700 000	153 700 000	0	0,0%
Legal reserves	9	125 688 661	125 688 661	0	0,0%
Free reserves	9	185 264 557	102 064 276	83 200 281	81,5%
Other reserves	9	789 305 831	789 305 831	0	0,0%
Retained earnings		54 766 324	54 766 324	0	0,0%
Net profit for the Year		352 527 075	416 001 405	(63 474 330)	-15,3%
Total owner equity		1 766 252 449	1 746 526 497	19 725 951	1,1%
LIABILITIES					
Non-current liabilities		-	-	-	
Total non-current liabilities		-	-	-	
Current liabilities					
Suppliers - investments	11	21 283 374	2 960 106	18 323 268	619,0%
Suppliers - current account	11	42 034 325	49 270 647	(7 236 322)	-14,7%
Visa/MasterCard/Amex Clearing	12	198 414 980	593 464 858	(395 049 878)	-66,6%
State and other public bodies	13	38 399 889	93 186 887	(54 786 998)	-58,8%
Other accounts payable	11	265 240 165	92 868 954	172 371 211	185,6%
Accrued costs	8	38 463 691	27 946 653	10 517 038	37,6%
Deferred income	8	6 602 400	5 544 080	1 058 320	19,1%
Total current liabilities		610 438 824	865 242 185	(254 803 361)	-29,4%
Total Liabilities		610 438 824	865 242 185	(254 803 361)	-29,4%
Total Owner Equity and Liabilities		2 376 691 272	2 611 768 682	(235 077 410)	-9,0%

(Amounts expressed in Cabo Verdean Escudos)

Indirect Method	Notes	12/31/2024		12/31/2023	
Cash flows of the operating activities:					
Net Earnings for the Year			352 527 075		416 001 405
Adjustments:					
Amortization and depreciation	(+)	5	134 361 850		111 516 313
Interest and similar income received	(-)	18	(4 278 505)		(3 617 885)
Interest and similar cost paid	(+)	18	13 040 286		7 123 379
Gains from the sale of tangible fixed assets	(-)	17	(378 317)		(1 296 563)
Gains from fair value increases - VISA	(-)	6	(145 783 996)		(82 889 841)
Decrease in Inventories	(+)		-		45 184 793
Increase in Inventories	(+)	7	(1 139 050)		-
Increase in accounts receivable		11	-		(270 347 021)
Decrease in accounts receivable	(-)	11	278 483 286		-
Increase in deferred costs	(-)	8	(10 360 529)		(15 388 921)
Decrease in deferred income	(+)		1 058 320		(33 226 724)
Increase in accounts payable	(+)	11	190 694 479		418 928 587
Decrease in accounts payable	(-)	11	(457 073 198)		(86 863 910)
Increase in accrued costs	(+)	8	10 517 038		-
Decrease in accrued costs	(-)		-		(540 163)
Rounding up					
Cash flows of operating activities (1)				361 668 739	504 583 449
Cash flows of inestment activities:					
Payments related to:					
Other financial assets			-		-
Tangible fixed assets		5	(178 491 713)		(98 615 978)
Intangible assets		5	(52 464 475)		(48 131 671)
				(230 956 188)	(146 747 649)
Receipts related to:					
Financial investment			-		-
Tangible fixed assets		17	378 317		1 296 563
Intangible assets					
Investment subsidies					
Interest and similar income		18	1 302 694		1 100 694
Dividends		17	2 975 811		2 517 191
....				4 656 822	4 914 448
Cash flows of investment activities (2)				(226 299 366)	(141 833 201)
Financing activities:					
Receipts from:					
Sale of own shares			-		158 700 000
Payments related to:					
Interest and similar cost		18	(13 040 286)		(7 123 379)
Dividends		9	(332 801 125)		(204 545 609)
Cash flows of financing activities (3)				(345 841 411)	(52 968 988)
Changes in cash and cash equivalents (4) = (1) + (2) + (3)				(210 472 038)	309 781 261
Effects of exchange differences				-	-
Cash and cash equivalents in the beginning of the period		4		1 059 477 449	749 696 189
Cash and cash equivalents at the end of the period		4		849 005 412	1 059 477 449

Statement of Changes in Owner Equity as at December 31, 2024

(Amounts expressed in Cabo Verdean Escudos)

Description	Notes	Paid-In Capital	Issuance Premiums	Legal Reserves	Free Reserves	Other Reserves	Retained Earnings	Net Profit for the Year	Total
POSITION AT BEGINNING OF PERIOD 2023		100 000 000	-	125 688 661	14 401 872	789 305 831	54 766 324	292 208 013	1 376 370 701
CHANGES RELATED TO INCOME AND COSTS RECOGNIZED IN THE PERIOD									
Net Earnings for the Year	9	-	-	-	-	-	-	416 001 405	416 001 405
Appropriation of Net Income		-	-	-	87 662 404	0	-	(87 662 404)	-
Extensive Results		100 000 000	-	125 688 661	102 064 276	789 305 831	54 766 324	620 547 014	1 792 372 106
TRANSACTIONS WITH EQUITY HOLDERS IN THE PERIOD									
Capital Contributions		5 000 000	-	-	-	-	-	-	5 000 000
Issuance Premiums		-	153 700 000	-	-	-	-	-	153 700 000
Dividend Distribution		-	-	-	-	-	-	(204 545 609)	(204 545 609)
OTHER TRANSACTIONS									
POSITION AT BEGINNING OF PERIOD 2024		105 000 000	153 700 000	125 688 661	102 064 276	789 305 831	54 766 324	416 001 405	1 746 526 498
CHANGES RELATED TO INCOME AND COSTS RECOGNIZED IN THE PERIOD									
Net Earnings for the Year	9	-	-	-	-	-	-	352 527 075	352 527 075
Appropriation of Net Income		-	-	-	83 200 281	-	-	(83 200 281)	-
		105 000 000	153 700 000	125 688 661	185 264 557	789 305 831	54 766 324	685 328 199	2 099 053 573
TRANSACTIONS WITH EQUITY HOLDERS IN THE PERIOD									
Dividend Distribution		-	-	-	-	-	-	(332 801 124)	(332 801 124)
POSITION AT YEAR-END		105 000 000	153 700 000	125 688 661	185 264 557	789 305 831	54 766 324	352 527 075	1 766 252 449

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Notes to the financial statements as at 31 December, 2024
(Amounts expressed in Cabo Verdean Escudos - CVE)

1. INTRODUCTORY NOTE

The SISP – Sociedade Interbancária e Sistemas de Pagamentos, S.A. (“SISP” or “Company”) is a joint-stock company whose shareholders comprise the State, as the country’s primary payer, the Banco de Cabo Verde, as the promoter of the smooth operation of the Clearing and Payment systems, the commercial banks legally authorized to operate in Cabo Verde, namely the Banco Comercial do Atlântico, S.A., the Banco Interatlântico, S.A.R.L., the Banco Caboverdiano de Negócios, S.A., the Caixa Económica de Cabo Verde, S.A., and the Banco BAI Cabo Verde, S.A., and also the Cabo Verde Telecom, S.A. whose role as provider of telecommunication services is of particular interest for the development of Payment Systems.. The Company was established in 1999 and is headquartered at Achada Santo António – Praia, Cabo Verde.

The financial statements as at December 31, 2024 were approved by the Board of Directors at its meeting held on March 11, 2025.

The Board of Directors believes that these financial statements give a true and fair view of the Company’s operations, as well as its financial position and performance and cash flow.

2. ACCOUNTING STANDARDS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared under the provisions in force in Cabo Verde, e.g., the Ordinance no. 49/2008, of December 29, of the Ministry of Finance, which orders the adoption of the Accounting Standards and Financial Reporting System for Cabo Verde (“SNC”), replacing the National Chart of Accounts (POC) approved by the Decree no. 4/84, of January 30, which includes a set of Financial Reporting Standards (“FRS”). Even though, as provided for in Notice No. 2/2007 of the Banco de Cabo Verde, entities such as SISP should adopt the International Financial Reporting Standards, in August 2008, SISP was authorized by the Banco de Cabo Verde to use the POC and thus transitioned to the FRS at that date.

The FRSs have been adopted for the period starting on or after January 1, 2009. This Financial Reporting and Accounting System is intended to transpose, into the national law, the Financial

Reporting Standards, which are an adaptation of the International Accounting Standards and the International Financial Reporting Standards issued by the International Accounting Standards Board (“IASB”).

On November 21, 2023, the Banco de Cabo Verde again stated that SISP remains exempt from using the analytical situation applicable to credit institutions, and therefore the company must continue to use the chart of accounts in accordance with the National Accounting and Financial Reporting System (SNCRF) until new guidelines are issued by that Central Bank.

3. BASES OF PRESENTATION AND KEY ACCOUNTING POLICIES

The key accounting criteria used in preparing the financial statements are the following:

3.1 Bases of presentation

The attached financial statements have been prepared under the assumption of business continuity, from the books and accounting records of the Company, in accordance with the Financial Reporting Standards System.

The Board of Directors has assessed the Company’s ability to operate on a going concern basis, based on all relevant information, facts and circumstances of financial, commercial or other nature, including events after the reference date of the financial statements available on the future. As a result of this assessment, the Board of Directors concluded that the Company has adequate resources to maintain its activities, and there is no intention of ceasing activities in the short-term and therefore considered appropriate the use of the going concern assumption in the preparation of the financial statements.

3.2 Tangible fixed assets

Tangible fixed assets are stated at acquisition or production cost, which includes the purchase cost and any costs directly attributable to the activities required to place the assets in the location and conditions necessary for operating as intended, minus depreciation and losses for accumulated impairment.

Depreciation is calculated on a monthly basis following the time at which the asset is ready to be used, according to the straight-line method, in conformity with the period of useful life estimated for each group of assets.

The depreciation rates used correspond to the following periods of estimated useful life:

Item of Tangible Fixed Assets	Years
Buildings and other construction	5 to 25
Basic equipment - POS	2
Basic equipment - other	3 to 12
Transport equipment	4
Tools and utensils	5 to 12
Office equipment	4 to 12

The useful lives and the depreciation method of the various assets are reviewed on an annual basis. The effect of any changes on these estimates is recognized prospectively in the income statement.

The costs of maintenance and repair (subsequent expenditure) that are unlikely to generate future additional economic benefits are recorded as expenses in the period they are incurred.

The gain (or loss) deriving from the sale or cancellation of a tangible fixed asset is determined as the difference between the fair value of the amount received or receivable in the transaction and the amount of the asset net of accumulated depreciation and is recognized in results in the period in which the sale or cancellation occurs.

3.3 Intangible assets

Intangible assets are recorded at cost, less depreciation and losses due to accumulated impairment.

Expenditures on research activities are recorded as expenses in the period they are incurred.

Depreciation of intangible assets is recognized on a straight-line basis over the estimated useful lives of the intangible assets.

The depreciation rates used correspond to the following periods of estimated useful life:

Item of Intangible Assets	Years
Computer programs	3 to 5
Industrial property - Trademark and Patents	3 to 10
Other Intangible Assets	3 to 10

The useful lives and depreciation method of the various intangible assets are reviewed annually. The effect of any changes on these estimates is recognized prospectively in the income statement.

3.4 Impairment of tangible and intangible fixed assets

At each reporting date, the Company reviews the book value of its tangible and intangible fixed assets to determine if there is any indication that they may be impaired. If any such indicator exists, then the recoverable amount of the respective assets (or the cash-generating unit) is estimated to determine the extent of the impairment loss.

Where the book value of the asset (or cash-generating unit) exceeds its recoverable amount, an impairment loss is recognized. The impairment loss is immediately recorded in the income statement under “Impairment losses”.

The reversal of impairment losses recognized in prior years is recorded when there is evidence that the previously recognized impairment losses no longer exist or have decreased.

The reversal of impairment loss is recognized in the income statement under “Reversals of impairment”.

3.5 Inventories

Inventories are stated at their historical cost. Cost includes all purchase costs and other costs incurred to place the goods on their site and in their present condition. In situations where the cost value is higher than the net realizable value, an adjustment (impairment loss) is recorded for the related difference. Variations of the year in impairment losses of inventories are recorded in the items of results “Inventory adjustments – Losses/Reversals”.

The inventory costing method adopted by the Company consists of the average cost weighed.

3.6 Financial assets and liabilities

Financial assets and liabilities are recognized on the balance sheet when the Company becomes part of the relevant contractual provisions, being recorded in accordance with the provisions of FRS 16 – Financial Instruments.

Financial assets and liabilities are measured based upon the following criteria: (i) at cost or amortized cost and (ii) at fair value with changes recognized in the income statement.

(i) At cost or amortized cost

The financial assets and liabilities that have the following characteristics are measured “at cost or amortized cost”:

- Those in cash or with a defined maturity;
- Those associated with a fixed or determinable return, and
- Those that are not a derivative financial instrument or do not incorporate a derivative financial instrument.

The amortized cost is determined by using the effective interest method. The effective interest rate is calculated by the rate that exactly discounts future cash payments or receipts through the expected life of the financial instrument in the net amount of the financial asset or liability (effective interest rate).

This category includes, therefore, the following financial assets and liabilities:

i. Customers and other receivables

The balances of customers and other debtors are recorded at amortized cost, which may be deducted from any impairment losses. Usually, the amortized cost of these financial assets does not differ from their nominal value.

ii. Cash and bank deposits

The amounts included under “Cash” and “Bank deposits” correspond to cash, bank deposits and other cash investments that will mature in less than three months and for which the risk of value change is insignificant.

These assets are measured at amortized cost. As a rule, the amortized cost of these financial assets does not differ from their nominal value.

iii. Suppliers and other payables

The balances of suppliers and other payables are stated at amortized cost. Usually, the amortized cost of these liabilities does not differ from their nominal value.

iv. Financing received

Financing received is recorded in liabilities at amortized cost.

Any expenses incurred in obtaining such financing, including bank charges and stamp duty, as well as interest and similar expenses, are recognized in the income statement over the lifetime of such funding. Until they are not recognized, these expenses are deducted from the caption “Financing received”.

(ii) At fair value with changes recognized in the income statement

All financial assets and liabilities not included in the category “at cost or amortized cost” are incorporated in the category “at fair value with changes recognized in the income statement”.

Such financial assets and liabilities are measured at fair value, being any changes in the respective fair value recorded in income under “Losses from fair value reductions” and “Gains from fair value increases”.

In the particular case of SISP, this category includes financial contributions to entities other than subsidiaries, jointly controlled and associated companies. These investments are measured at fair value and any changes in the respective fair value are recorded in the income statement, except where they relate to entities whose equity instruments are not publicly traded (shares not listed on the Stock Exchange) and whose fair value cannot be determined

reliably, in which case they are measured at cost less accumulated impairment losses. Derivative financial instruments related to such equity instruments are also included in the category “at cost or amortized cost”, being measured at cost less accumulated impairment losses.

(iii) Impairment of financial assets

Financial assets included in the category “at cost or amortized cost” are subject to impairment testing at each reporting date. These financial assets are impaired when there is objective evidence that because of one or more events after their initial recognition, their estimated future cash flows are affected.

For financial assets measured at amortized cost, the impairment loss to be recognized is the difference between the book value of the asset and the present value at the reporting date of the new estimated future cash flows discounted at their original effective interest rate.

For financial assets measured at cost, the impairment loss to be recognized is the difference between the book value of the asset and the best estimate of the asset’s fair value at the reporting date.

Impairment losses are recorded in the income statement under “Impairment of receivables” or “Impairment of non-depreciable assets” in the period they are determined. Subsequently, if the amount of the impairment loss decreases and such a decrease can be objectively related to an event that took place after recognition of the loss, this should be reversed against results. The reversal should be done up to the limit of the amount that would be recognized (amortized cost) in case the loss had not been initially recorded. Reversal of impairment losses is recorded in the income statement under “Reversals of impairment”. Reversal of impairment losses recorded in investments in equity instruments measured at cost will not be allowed.

3.7 Revenues

Revenue is measured through the fair value of the amount received or receivable. Recognized revenue is deducted from the amount of returns, discounts and other rebates and does not include Value Added Tax (VAT) and other taxes related to the sale.

The proceeds obtained from the sale of goods are recognized once all the following conditions are met:

- All risks and advantages associated with property ownership have been transferred to the buyer;
- The Company does not keep any control over the goods sold;
- The amount of revenue can be measured reliably;
- It is likely that future economic benefits associated with the transaction will flow to the Company;
- Costs incurred or to be incurred with the transaction can be measured reliably.

Revenue from the provision of services is recognized based on the percentage of completion of the transaction/service, provided that all the following conditions are met:

- The amount of revenue can be measured reliably;
- It is likely that future economic benefits associated with the transaction will flow to the Company;
- Costs incurred or to be incurred with the transaction can be measured reliably;
- The stage of completion of the transaction/service can be reliably measured.

Revenue from interest is recognized by using the effective interest method, provided that it is likely that economic benefits will flow to the Company and its amount can be reliably measured.

Revenue from dividends is recognized once the right of the Company to receive the corresponding amount has been established.

3.8 Income Tax

Tax on income for the year recorded in the income statement is the sum of current taxes to deferred tax. Current taxes and deferred taxes are recorded as income, except when they relate to items recognized directly in equity, in which case they are recorded in owner equity.

Current tax payable is calculated based on the Company's taxable income. Taxable income differs from accounting income since it excludes various income and expenses that will only

be taxable or deductible in other years, as well as expenses and revenues that are never taxable or deductible.

Deferred taxes relate to temporary differences between the amounts of assets and liabilities for accounting reporting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to be in force at the date of reversal of the corresponding temporary differences, based on tax rates (and tax laws) that are formally issued at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences for which there is reasonable expectation of sufficient future taxable income to utilize these deferred tax assets, or taxable temporary differences that revert in the same reversal period of the deductible temporary differences. At each reporting date, the Company reviews its deferred tax assets and they are adjusted according to the expectations regarding their future use.

3.9 Foreign currency transactions and balances

Transactions in foreign currencies (a currency other than the Company's functional currency) are recorded at the exchange rates in force at the dates of the transactions. At each reporting date, the book value of the monetary items denominated in foreign currencies is updated at the exchange rates in force on that date. Non-monetary items recorded at fair value denominated in foreign currencies are updated at the exchange rates of the date of determination of the fair value. The book values of non-monetary items recorded at historical cost and denominated in foreign currencies are not updated.

Exchange differences calculated on the date of receipt or payment of foreign exchange transactions and those resulting from the above updates are recorded in the income statement for the period in which they are generated.

3.10 Provisions and contingent liabilities

Provisions are recorded when the Company has a present (legal or constructive) obligation resulting from a past event and it is likely that, in order to settle the obligation, an outflow of resources occurs, and the amount of the obligation can be reasonably estimated.

The value of provisions recorded is the best estimate, at the reporting date, of the resources required to settle the obligation. This estimate, as revised at each reporting date, is determined by taking into account the risks and uncertainties associated with each obligation.

Contingent liabilities are not recognized in the financial statements but are disclosed when the possibility of an outflow of resources encompassing economic benefits is not remote. Contingent liabilities are not recognized in financial statements but are disclosed when it is likely the existence of a future economic inflow of resources.

3.11 Accrual

The Company records its income and expenses in accordance with the principle of accruals by which income and expenses are recognized as they are generated, regardless of the time of the respective receipt or payment. The differences between the amounts received and paid and the corresponding income and expenses are recorded as assets or liabilities.

3.12 Subsequent events

Events after the balance sheet date that provide additional information about conditions that existed at the balance sheet date (“adjusting events” or events after the balance sheet date that give rise to adjustments) are reflected in the financial statements. Events after the balance sheet date that provide information on conditions occurring after the balance sheet date (“non-adjusting events” or events after the balance sheet date that led to no adjustments) are disclosed in the financial statements if considered constructive.

3.13 Critical judgments and key sources of uncertainty associated with estimates

In preparing the attached financial statements, judgments and estimates have been made and various assumptions used that affect the reported amounts of assets and liabilities, as well as the reported amounts of revenues and expenses for the period.

The estimates and underlying assumptions were determined by reference to the reporting date based on the best knowledge available at the date of approval of the financial statements

of the events and transactions in progress, as well as the experience of past and/or current events. However, situations could occur in subsequent periods which were not considered in these estimates whereas they were not foreseeable at the date of approval of the financial statements. Changes to the estimates that occur after the date of the financial statements are corrected prospectively. For this reason and given the related degree of uncertainty, actual results of the transactions in question may differ from the corresponding estimates.

The main judgments and estimates made in preparing the attached financial statements were the following:

- a) Useful life of the equipment called “POS” – In 2010, the Company conducted a study on the use and replacement of the POS equipment to determine the useful life of such equipment. Accordingly, a useful life of two years was assigned, which will be periodically reviewed. In 2024, the Company still applies the conclusions drawn in the study carried out in 2010 whereas it is considered up-to-date.
- b) Taxes on income (current and deferred) are determined by the Company based on the rules defined by the tax regime in force. Nevertheless, in some situations tax laws may not be sufficiently clear and objective and lead to the existence of different interpretations. The recorded values result from the best understanding of the Company’s governing bodies on the proper framework of its operations, which is, however, likely to be questioned by Tax Authorities. In preparing the estimates for the year 2024, the Company considered the provisions anticipated in the Corporate Income Tax Code (IRPC Code).

4. CASH FLOWS

For the purposes of the statement of cash flows, cash and cash equivalents comprise immediately available bank deposits (with a maturity of three months or less) and money-market investments net of bank overdrafts and other equivalent short-term debt.

On December 31, 2024 and 2023, the items “Cash and cash equivalents” and “Bank Deposits” are as follows:

	12/31/2024	12/31/2023
Immediately available bank deposits		
. At national banks	531 820 408	881 713 750
. At foreign banks	276 899 004	137 477 699
Cash and cash equivalents	808 719 412	1 019 191 449
Term deposits	40 286 000	40 286 000
Bank deposits and cash	849 005 412	1 059 477 449

On December 31, 2024 and 2023, the item “Term deposits” relates to a one term deposit, which earns interest at the gross annual rate of 2.25% and will mature in October 2025.

On December 31, 2024 and 2023, the item “Immediately available bank deposits – at foreign banks” basically includes the balances of the bank accounts held with correspondent banks through which the international settlement transactions with VISA and MasterCard (Note 12) are carried out.

5. TANGIBLE FIXED ASSETS AND INTANGIBLE ASSETS

During the years 2024 and 2023, changes in the items of tangible fixed assets and intangible assets were as described below:

	12/31/2023				12/31/2024		
	Net Amount	Purchases	Transfers/Write offs/Divestitures	Amortization/ Depreciation for the Year	Gross Amount	Accumulated amortization/ depreciation	Net Amount
Tangible fixed assets							
Land	10 324 248	-	-	-	10 324 248	-	10 324 248
Buildings and other construction	2 913 400	-	-	(2 223 735)	57 728 376	(57 038 711)	689 665
Basic equipment	121 869 685	28 095 741	107 702 362	(90 645 930)	870 803 414	(703 781 555)	167 021 858
Transport equipment	16 688 771	2 129 357	-	(5 162 122)	48 767 344	(35 111 338)	13 656 006
Office equipment	2 754 336	850 362	167 054	(501 246)	16 516 433	(13 245 927)	3 270 506
Tools and utensils	-	-	-	-	1 583 308	(1 583 308)	-
Advances for tangible fixed assets	1 062 923	145 945 192	(109 033 787)	-	37 974 328	-	37 974 328
Advances for tangible fixed assets (Head Office)	36 902 950	2 635 432	-	-	39 538 382	-	39 538 382
	<u>192 516 313</u>	<u>179 656 084</u>	<u>(1 164 371)</u>	<u>(98 533 033)</u>	<u>1 083 235 833</u>	<u>(810 760 839)</u>	<u>272 474 993</u>
Intangible assets							
Computer programs (Software)	52 714 963	26 290 229	37 097 048	(35 828 817)	559 754 877	(479 481 454)	80 273 423
Industrial property - Trademark and patents	-	-	-	-	479 238	(479 238)	-
Other intangible assets	-	-	-	-	22 572 493	(22 572 493)	-
Advances for intangible assets	31 263 614	26 174 246	(37 097 048)	-	20340812	-	20 340 812
	<u>83 978 577</u>	<u>52 464 475</u>	<u>-</u>	<u>(35 828 817)</u>	<u>603 147 420</u>	<u>(502 533 185)</u>	<u>100 614 235</u>
	<u>276 494 890</u>	<u>232 120 559</u>	<u>(1 164 371)</u>	<u>(134 361 850)</u>	<u>1 686 383 253</u>	<u>(1 313 294 024)</u>	<u>373 089 228</u>

	12/31/2022			Amortization/ Depreciation for the Year	12/31/2023		
	Net Amount	Purchases	Transfers/Write offs/Divestitures		Gross Amount	Accumulated amortization/ depreciation	Net Amount
Tangible fixed assets							
Land	10 324 248	-	-	-	10 324 248	-	10 324 248
Buildings and other construction	5 137 135	-	-	(2 223 735)	57 728 376	(54 814 976)	2 913 400
Basic equipment	112 788 960	8 397 147	80 030 399	(79 346 821)	743 766 067	(621 896 381)	121 869 685
Transport equipment	2 356 605	16 797 148	-	(2 464 982)	46 637 987	(29 949 216)	16 688 771
Office equipment	2 186 945	964 235	-	(396 844)	15 499 017	(12 744 681)	2 754 336
Tools and utensils	-	-	-	-	1 583 308	(1 583 308)	-
Advances for tangible fixed assets	9 173 827	71 987 274	(80 098 178)	-	1 062 923	-	1 062 923
Advances for tangible fixed assets (Head Office)	36 389 503	513 447	-	-	36 902 950	-	36 902 950
	178 357 223	98 659 251	(67 779)	(84 432 382)	913 504 876	(720 988 562)	192 516 313
Intangible assets							
Computer programs (Software)	34 427 677	8 969 440	36 377 271	(27 059 425)	496 367 600	(443 652 637)	52 714 963
Industrial property - Trademark and patents	-	-	-	-	479 238	(479 238)	-
Other Intangible Assets	-	-	-	-	22 572 493	(22 572 493)	-
Advances for intangible assets	28 478 654	39 162 231	(36 377 271)	-	31 263 614	-	31 263 614
	62 906 331	48 131 671	-	(27 059 425)	550 682 945	(466 856 883)	83 978 577
	241 263 554	146 790 922	(67 779)	(111 491 807)	1 464 187 821	(1 187 845 445)	276 494 890

In the years ended December 31, 2024 and 2023, the acquisitions under “Advances for tangible fixed assets” and “Advances for intangible assets” essentially refer to purchases of equipment and development of various operational applications, which were transferred to firm fixed assets as soon as they became available for use.

On December 31, 2024, the amount of CVE 39,538,382, related to costs incurred with the construction of the new headquarter building, namely building structure requirements, architectural design and building safety, is stated as an advance for tangible fixed assets (Head Office).

In 2024, SISP proceeded to write off 3 ATM machines acquired in 2003 and 2007, in the amount of CVE 6,399,469, which were fully depreciated and do not generate invoicing.

In addition, 204 POS were written off, in the total purchase value of CVE 3,525,658, of which 177 were damaged POS devices or misplaced at customers (acquired between 2023 and 2024), with a total net value of CVE 1,164,371, but which do not generate invoicing.

In 2010, the Company forwarded a document to the Tax Authorities requesting acceptance of changes in the estimated useful lives of POS equipment from five to two years and is still awaiting a reply from that entity. The Board of Directors looks forward to receiving positive feedback.

6. FINANCIAL INVESTMENT

On December 31, 2024 and 2023, the Company's financial investments comprised the following:

	Number of Shares	Unit Value	Purchase Value	<u>12/31/2024</u> Balance Sheet Value	<u>12/31/2023</u> Balance Sheet Value
4141 Visa Inc. - Class C	<u>19 256</u>	<u>33 427</u>	<u>14 401 872</u>	<u>643 674 833</u>	<u>497 890 837</u>

Changes in the book value of the investments in VISA Inc were as follows:

Balance as at December 31, 2022	<u>415 000 996</u>
Gains from fair value increases	<u>82 889 841</u>
Balance as at December 31, 2023	<u>497 890 837</u>
Gains from fair value increases	<u>145 783 996</u>
Balance as at December 31, 2024	<u>643 674 833</u>

Given that Class C shares can be converted into Class A shares, the participation in Visa Inc. is valued based on the quotation of the corresponding Class A shares of Visa Inc. that are listed on the New York Stock Exchange. On December 31, 2024 and 2023, the price quotation of Class A shares amounted to USD 316,04 (CVE 33.427) and USD 260,35 (CVE 25.856) respectively, which resulted in a gain of CVE 145.783.996 with a tax impact of CVE 31.226.932. This surplus value was recorded under the SISP income category.

7. INVENTORIES

On December 31, 2024 and 2023, this caption presented the following situation:

	12/31/2024			12/31/2023		
	Gross Amount	Impairment losses (Note 10)	Net Amount	Gross Amount	Impairment losses (Note 10)	Net Amount
Goods						
Advances for purchases						
Domestic market	-	-	-	-	-	-
External market	-	-	-	4 869 996	-	4 869 996
	-	-	-	4 869 996	-	4 869 996
Pin Letters	1 873 407	-	1 873 407	2 726 207	(1 990 714)	735 493
White PVC Cards	22 023	-	22 023	22 023	-	22 023
White RFID Plastic Cards	82 214	-	82 214	82 214	-	82 214
Sub-total	1 977 644	-	1 977 644	2 830 444	(1 990 714)	839 730
Subtotal Goods	1 977 644	-	1 977 644	7 700 440	(1 990 714)	5 709 726
Raw materials, secondary and consumables						
Advances for purchases						
External market	2 369 782	-	2 369 782	890 627	-	890 627
	2 369 782	-	2 369 782	890 627	-	890 627
POS Parts	6 595 516	(3 412 842)	3 182 674	6 138 582	(3 412 842)	2 725 740
ATM Parts	36 928 831	(4 493 615)	32 435 216	35 406 076	(2 725 342)	32 680 734
Card consumables	-	-	-	-	-	-
PKI Card consumables	3 650 516	-	3 650 516	469 955	-	469 955
	47 174 863	(7 906 457)	39 268 406	42 014 613	(6 138 184)	35 876 429
Subtotal Raw materials, sec and consumables	49 544 645	(7 906 457)	41 638 188	42 905 240	(6 138 184)	36 767 056
Total Inventories	51 522 289	(7 906 457)	43 615 832	50 605 680	(8 128 898)	42 476 782

Impairment losses for inventories derive from a periodic review of the lower value between the purchase cost and the net realizable amount, being the adjustments recorded under “Inventory Adjustments” (Note 10).

On December 31, 2024 and 2023, the item “Raw Materials, Secondary, and Consumables – Advances for purchases – external market” refers to advances to suppliers made by the Company for the acquisition of ATM parts.

As of December 31, 2024 and 2023, the item "Goods - Advances on account of purchases - foreign market" refers to advances to suppliers made by the Company for the purchase of ATM machines and PIN letters to be sold to banks.

Spending on goods sold and materials consumed recognized in the years ended at December 31, 2024 and 2023 are detailed as follows:

	12/31/2024			12/31/2023		
	Goods	Raw materials, secondary & consumables	Total	Goods	Raw materials, secondary & consumables	Total
Start-up balance	(503 729)	42 014 613	41 510 884	3 271 444	41 459 145	44 730 589
Transfers	4 869 996	890 627	5 760 623	43 356 243	2 987 585	46 343 828
Purchases	45 657 818	15 160 689	60 818 507	15 445 707	10 337 569	25 783 276
Ending balance*	1 977 644	47 174 863	49 152 507	(503 729)	42 014 613	41 510 884
Costs with goods sold and materials consumed	48 046 441	10 891 066	58 937 507	62 577 123	12 769 686	75 346 809

* excluding Advances for purchases.

8. DEFERRALS (ASSETS AND LIABILITIES) AND ACCRUED LIABILITY EXPENSES

On December 31, 2024 and 2023, deferred asset items are as follows:

	12/31/2024	12/31/2023
<u>Current assets</u>		
Maintenance contracts:		
Hardsecure	9 151 324	10 185 270
Ascertia	6 080 286	5 490 548
Oracle	4 339 319	3 256 496
Paylogic	7 626 341	2 310 029
Utimaco	-	2 010 634
Bizfrist	2 143 356	1 823 129
Adobe	335 494	332 195
Helpsystem	279 458	247 302
Vision Helpdesk	310 499	298 770
DataGroup IT	2 342 532	-
RIS2048	1 819 396	-
Other	2 103 340	1 624 928
	<u>36 531 345</u>	<u>27 579 301</u>
Agreement with VISA International	14 179 915	13 217 249
Insurance	4 248 296	4 150 274
Other	1 816 200	1 468 403
	<u>56 775 756</u>	<u>46 415 227</u>

On December 31, 2024 and 2023, the item “Deferrals” included amounts regarding several maintenance contracts totaling CVE 36.531.345 and CVE 27.579.301, respectively, which are deferred in accordance with the period covered by those services.

On December 31, 2024 and 2023, the item “Visa International” refers to a maintenance agreement renewed on an annual basis with Visa International.

On December 31, 2024 and 2023, the items of accrued liability expenses and deferred income presented the following balances:

	<u>12/31/2024</u>	<u>12/31/2023</u>
<u>Current liabilities</u>		
Accrued expenses		
. Performance bonus	9 936 432	6 213 820
. Visa	10 917 970	8 417 714
. Mastercard	2 556 097	2 587 887
Other	<u>15 053 192</u>	<u>10 727 232</u>
	<u>38 463 691</u>	<u>27 946 653</u>
 Deferred income		
Provision of services	<u>6 602 400</u>	<u>5 544 080</u>
	<u>6 602 400</u>	<u>5 544 080</u>
	<u>45 066 091</u>	<u>33 490 733</u>

On December 31, 2024 and 2023, the items “Accrued expenses – MasterCard” and “Accrued expenses – Visa” include the estimated amount of the expenses incurred by the Company yet to be invoiced by MasterCard and Visa, respectively, within the scope of the MasterCard and Visa services in Cabo Verde.

On December 31, 2024, the item “Accrued expenses – Other” includes the amount of CVE 13.681.312 related with POS fees payable to banks, settlement to be made in the following financial year in the amount of CVE 1.253.583.

On December 31, 2023, the item “Accrued expenses – Other” includes the amount of CVE 8.828.006 related with POS fees payable to banks, settlement to be made to customers in the amount of CVE 1.790.390.

On December 31, 2024, the item "Deferred income" includes the amount of CVE 6,6 million, referring to the advance payment for the issuing of State Institution certificates.

On December 31, 2023, the item "Deferred income" includes the amount of CVE 3.3 million referring to advance payments for the purchase of ATMs by banks.

9. EQUITY INSTRUMENTS

Share Capital

On December 31, 2024 and 2023, the Company's share capital was fully underwritten and paid up, being composed of 105,000 book-entry shares with a face value of one thousand Cabo Verdean Escudos each.

In 2023, the bank BAI Cabo Verde joined SISP with a total of 5,000 shares at a nominal price of 1,000 Cabo Verdean Escudos per share.

Reserves

On December 31, 2024 and 2023, the Company's reserves comprised the following:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Legal reserves	125 688 661	125 688 661
Free reserves	185 264 557	102 064 276
Other reserves	789 305 831	789 305 831
	<u>1 100 259 049</u>	<u>1 017 058 768</u>

According to the law governing the operation of financial institutions, in force in Cabo Verde (Law No. 62/VIII/2014), no less than 10% of the annual net income calculated in each financial year must be allocated to reinforce the legal reserves up to an amount equal to the share capital or the sum of the free reserves and retained earnings, if higher.

Distributions

In accordance with the deliberation taken by the General Meeting of Shareholders in March 2024, dividends for the year ended December 31, 2023 attributed to the shareholders amounted to CVE 332.801.124 (equivalent to CVE 3.169,53 per share).

In accordance with the deliberation taken by the General Meeting of Shareholders in April 2023, dividends for the year ended December 31, 2022 attributed to the shareholders amounted to CVE 204,545,609 (equivalent to CVE 2,045.45 per share).

10. PROVISIONS, IMPAIRMENT, AND CONTINGENT LIABILITIES

In the years 2024 and 2023, the movement in provisions and impairment are those below indicated:

	12/31/2023	Reinforcement	Uses	Reversals	12/31/2024
Provisions					
- Tax contingencies	-	-	-	-	-
Impairment					
- Customers - Amounts in transit /Customer (Note 11)	57 151 091	9 049 989	-	-	66 201 080
- Other accounts receivable (Note 11):	-				-
. Settlement of vinti4	665 389		-	260 798	926 187
. Chargeback	41 729 583	-	-	(1 757 166)	39 972 417
- Sundry debtors (Note 11)	278 178	-	-		278 178
- Stock (Note 7)	6 138 184	1 768 273	-	-	7 906 457
	105 962 425	10 818 262	-	(1 496 368)	115 284 319
	12/31/2022	Reinforcement	Uses	Reversals	12/31/2023
Provisions					
- Tax contingencies	-	-	-	-	-
Impairment					
- Customers - Amounts in transit /Customer (Note 11)	49 284 292	7 866 799	-	-	57 151 091
- Other accounts receivable (Note 11):					
. Settlement of vinti4	979 146		-	(313 757)	665 389
. Chargeback	42 984 673	-	-	(1 255 090)	41 729 583
- Sundry debtors (Note 11)	278 178	-	-		278 178
- Goods (Note 7)		1 990 714	(1 990 714)	-	-
- Stock (Note 7)	3 412 842	3 680 788	(955 446)	-	6 138 184
	96 939 131	13 538 301	(2 946 160)	(1 568 847)	105 962 425

11. FINANCIAL ASSETS / LIABILITIES

a. Customers and other receivables

On December 31, 2024 and 2023, these items were as follows:

	12/31/2024			12/31/2023		
	Gross Amount	Accumulated impairment losses (Note 10)	Net Amount	Gross Amount	Accumulated impairment losses (Note 10)	Net Amount
Customers						
Customers, current account	354 993 916	(66 201 080)	288 792 836	554 749 639	(57 151 091)	497 598 548
Other accounts receivable	162 914 157	(41 176 782)	121 737 375	234 088 099	(42 673 150)	191 414 949
	517 908 073	(107 377 862)	410 530 211	788 837 738	(99 824 241)	689 013 497

On December 31, 2024 and 2023, the item “Other receivables” includes the amounts of CVE 110.360.227 and CVE 185.944.487, respectively, which refer to values traded with international cards that await confirmation by VISA, MasterCard, and AMEX. The increase in the amounts pending confirmation in 2023 can be explained by the delay in sending and processing some MasterCard POS files with respect to the months of November and December.

Additionally, on December 31, 2024 and 2023, this caption includes chargeback amounts of CVE 39.972.417 and CVE 41,729,583, respectively, for which a 100 percent of accumulated impairment loss has been recorded (Note 10). The chargeback amount essentially derives from a number of improper operations performed in 2020 due to alleged unauthorized use of international cards at national merchants as a result of which SISP was called upon to return the amounts involved. The process of recovery of these amounts is still in progress at the courts.

On December 31, 2024 and 2023, the above-mentioned caption also includes amounts receivable from other debtors, net of impairment, of CVE 8.553.867 and CVE 4,264,158, respectively, for which impairment of CVE 278,178 has been recorded (Note 10). These amounts refer to VISA and MasterCard expenses paid by SISP on behalf of the banks, pending payment at the balance sheet date.

b. Suppliers and other financial liabilities

On December 31, 2024 and 2023, these headings are as follows:

	12/31/2024	12/31/2023
Suppliers		
Suppliers - Investments	21 283 374	2 960 106
Suppliers, current account		
In national currency	11 272 056	10 935 643
In foreign currency	22 181 630	32 542 392
Suppliers for accrued costs		
In national currency	6 401 159	-
In foreign currency	2 179 480	5 792 612
	42 034 325	49 270 647
Other accounts payable	265 240 165	92 868 954
	328 557 864	145 099 707

On December 31, 2024 and 2023, the item "Other accounts payable" encompasses the amounts of CVE 264.896.834 and CVE 93,006,905, respectively, related to the outstanding balance to be paid by the Company to the Banco de Cabo Verde for interbank clearing among the various participating Banks and the same at the end of the respective year.

12. VISA/MASTERCARD CLEARING

On December 31, 2024 and 2023, the balance of this caption corresponds to the amount pending settlement on these dates at the Banco de Cabo Verde as a result of the advance of funds made available by that Central Bank within the scope of the international settlement process. SISP is responsible for processing the settlement of the transactions made in Cabo Verde with VISA, MasterCard, and AMEX cards, while maintaining in its financial statements various balances associated with these operations (Notes 4 and 11).

On December 31, 2024 and 2023, the outstanding amount is, respectively, CVE 198.414.980 and CVE 593,464,858. The increase recorded in 2023 in the amount payable is explained by the greater number of clearing days pending reimbursement whereas it coincides with a weekend.

13. STATE AND OTHER PUBLIC BODIES

On December 31, 2024 and 2023, these captions were as follows:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Corporate income tax (Note 19)	97 235 448	119 297 787
Payment on account	(83 633 338)	(58 598 824)
Prior period tax credit	-	-
Value added tax	15 648 673	24 068 216
Social security contributions	3 833 931	3 404 326
Deductions to third-parties	2 367 866	1 880 489
Separate taxation	7 415	8 572
Other tax - stamp duties	2 939 895	3 126 320
	<u>38 399 890</u>	<u>93 186 887</u>

On December 31, 2024 and 2023, the balance of the item “Payment on Account” corresponds to the fractional payments on account settled during the year to which the tax relates, equivalent to 80% of the collection ascertained in relation to the previous year.

14. PROVISION OF SERVICES AND SALES

Sales and provision of services recognized by the Company in 2024 and 2023 are detailed below:

	2024	2023
<u>Sales</u>		
PIN Letters	90 000	510 000
POS Machines	450 236	-
ATM Machines	49 945 970	69 648 640
<u>Services to banks</u>		
Processing		
Vinti4	174 234 539	171 758 300
Visa	10 253 033	9 506 663
MasterCard	9 062 839	8 366 756
TEF	16 587 394	14 733 688
Automated clearing	1 382 835	1 425 480
On-us cards, other networks	15 948 836	10 859 134
Terminal management	37 572 350	47 196 894
Card management	45 533 303	40 530 680
Connection to the network		
CPD	7 200 000	7 200 000
SWIFT	14 280 000	16 320 000
Card production	10 636 350	11 125 425
Other services	11 477 414	9 796 596
<u>Services to non-bank customers</u>		
Automatic payment	951 376 139	850 042 507
Access Fee	150 126 605	134 232 250
Dynamic Currency Conversion	139 521 848	132 708 995
Service payment	40 037 715	42 352 440
Electronic certificates	27 787 578	25 796 833
Other services	4 117 725	2 725 018
<u>Discounts and rebates</u>	(133 287)	(191 142)
	1 717 489 422	1 606 645 157

In 2024 and 2023, the balance of the item “Sales – ATM Machines” concerns the sale of ATM equipment to several banks, in the amounts of CVE 49.945.970 and CVE 69,648,640, respectively.

The item "Sales - PIN letters" is associated with the change in the criteria to apply the tariff in 2021, where invoicing is now done with the bank placing an order for PIN letters instead of the card production date.

The POS Sales item is associated with the sale of 7 UN20 POS equipment, the process for which began in previous years, but was only completed in 2024.

15. EXTERNAL SUPPLIES AND SERVICES

In 2024 and 2023, this caption was as follows:

	2024	2023
Visa Acquiring fees	309 424 356	241 341 184
MasterCard Acquiring fees	301 638 933	241 723 336
Maintenance and repair	114 205 094	94 723 422
Communications	74 189 713	65 316 992
Vinti4 related fees	132 922 832	86 744 426
Monthly advances	25 769 581	21 335 961
Electricity	14 631 612	11 914 225
Business trips	3 866 997	4 530 927
Rents and rentals	6 235 004	5 895 168
Insurance	3 013 516	2 600 304
Fuel	2 504 451	2 954 944
Security and surveillance	1 321 677	1 252 994
Consumables	3 404 275	2 013 556
Outsourcing	-	194 400
Advertising and publicity	5 984 510	1 642 079
AMEX fees	8 485 999	6 305 448
Bank services	3 978 190	2 067 978
Other external supplies and services	4 205 326	3 747 838
	<u>1 015 782 066</u>	<u>796 305 182</u>

In 2024, the increase observed in the items “Visa Acquiring Fees” and “MasterCard Acquiring Fees” is mostly explained by the increase in transactions made with international cards upon which these commissions are charged.

In 2024, the increase in the caption “Vinti4 Related Fees” has to do with the increase in purchase transactions, which includes the commission paid to the issuing banks that support each transaction made with cards, according to the tariff approved at the beginning of the period.

16. PERSONNEL COSTS

In the years 2024 and 2023, this caption is as follows:

	2024	2023
Payroll		
Corporate bodies	3 007 826	3 054 192
Staff	116 244 741	104 085 814
Social security contributions	18 270 267	15 016 183
Training	5 384 437	6 970 519
Performance bonus	10 381 937	6 204 106
Insurance	1 935 648	1 651 386
Other personnel costs	2 010 290	1 648 675
	<u>157 235 146</u>	<u>138 630 875</u>

On December 31, 2024, the number of employees totaled 63, four more than in the previous year. Six new employees were hired, and two contracts were voluntarily terminated. The increase in relation to the previous year is related to progressions, salary updates, bonuses, and reclassifications.

17. OTHER INCOME AND GAINS AND OTHER EXPENSES AND LOSSES

These headings display the following balances in the financial years of 2024 and 2023:

	2024	2023
Other income and gains		
Other	<u>1 109 479</u>	<u>7 539 453</u>
Other costs and losses		
Tax		
Stamp duties	24 972 653	21 099 124
Motor vehicle circulation tax	-	1 850
Separate taxation	7 415	8 572
Final pro rata annual adjustment	1 453 187	828 441
Capital tax (Note 19)	-	350 422
	<u>26 443 541</u>	<u>22 293 409</u>
Loss coverage - associates	-	486 511
Tax shortfall	608 211	-
Donations (Note 8)	1 472 250	1 070 000
Contributions	94 200	88 200
Other costs and losses	<u>1 421 698</u>	<u>562 737</u>
	<u>3 596 359</u>	<u>2 207 448</u>
	<u>30 039 900</u>	<u>24 500 857</u>

In 2024, the balance of “Other income and gains - Other” in the amount of 1,109,479 includes corrections relating to favorable exchange rate differences from previous years and the sale of POS machines.

In 2023, the balance under "Other income and gains - Other" includes corrections for MasterCard clearing in the amount of CVE 4,147,341 and VISA clearing in the amount of CVE 1,792,535, and also the amount of CVE 1,073,913 relating to the sale of a vehicle.

On December 31, 2024 and 2023, the item “Stamp Duties” includes the amounts of CVE 24.972.653 and CVE 21,099,124, respectively, relating essentially to stamp tax on VISA, MasterCard, and AMEX revenues. The growth is due to the increased revenue associated with these services.

On December 31, 2024, the item “Tax shortfall” is associated with corrections to the VAT calculation, the difference between the VAT calculated and that paid to the tax authorities in the period.

At December 31, 2023, the item "loss coverage" includes operating costs derived from fraudulent transactions in the total amount of CVE 481,596.

At December 31, 2023, the caption "Capital tax" includes the amount of CVE 350,422 related to the withholding tax on interest earned on term deposits matured during the financial year of 2023.

18. INTEREST AND GAINS RECEIVED AND INTEREST AND LOSS PAID

In the financial years 2024 and 2023, these headings comprise the following:

	2024	2023
Interest and gains received		
Income from capital shares in Visa Inc.	2 975 811	2 517 191
Interest earned on short-term investment	906 432	882 458
Other financing gains	396 262	218 236
	<u>4 278 505</u>	<u>3 617 885</u>
Interest and loss paid		
Interest paid	(9 269 926)	(1 961 974)
Other financing losses	(3 770 360)	(5 161 405)
	<u>(13 040 286)</u>	<u>(7 123 379)</u>
	<u>(8 761 781)</u>	<u>(3 505 494)</u>

On December 31, 2024 and 2023, the item "Interest paid" corresponds to the fees from bank guarantees provided to VISA, MasterCard, and AMEX.

In 2024, the figure for "Interest paid" includes interest on the bank guarantee from previous years, which are amounts not collected by the banks in the year they refer to, thus justifying the one-off increase in this item.

As of December 31, 2024 and 2023, "Other Financing Losses" essentially embraces foreign exchange difference costs associated with the settlement service of Visa and MasterCard's DCC (Dynamic Currency Conversion) transactions.

19. INCOME TAX

Under the legislation in force, tax returns are subject to review and correction by the tax authorities over a period of five years, unless when there have been tax losses, tax benefits were granted, or inspections, claims or oppositions are underway, in which case, depending on the circumstances, the deadlines are extended or suspended. Thus, the tax returns of the Company from 2020 to 2024 may still be subject to review. The Company's Board of Directors believes that any adjustments resulting from any reviews/inspections by the tax authorities to those tax returns will not have a significant effect on the financial statements as at December 31, 2024.

According to the Law No. 44/IX/2018, which approves the State Budget for the economic year 2019, article 84 of the Law No. 82/VIII/2015, of January 8, approving the corporate income tax code (IRPC) was amended by Law No. 5/IX/2016, of December 31, as rectified in the Official Gazette of March 23, 2017 and by Law No. 20/IX/2017, of December 31 and Law no. 35/X/2023 of December 31. Therefore, the said article now reads as follows: "The rate of the IRPC is 21% for taxpayers under the organized accounting system."

As at December 31, 2024, the Company is subject to the Corporate Income Tax Code (IPRC Code) at the rate of 21% and a fire rate of 2% of the assessed tax, which corresponds to an aggregated tax rate of 21.42%.

As at December 31, 2023, the Company is subject to the Corporate Income Tax (IPRC Code) at the rate of 22% and a fire rate of 2% of the assessed tax, which corresponds to an aggregated tax rate of 22.44%.

Spending on income taxes as at December 31, 2024 and 2023 is detailed below:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Current Tax for the Year	97 235 448	119 297 787

Reconciliation between the nominal tax rate and the effective tax rate observed in the years 2024 and 2023 can be evidenced as follows:

	2024		2023	
	Rate	Tax	Rate	Tax
Income before tax		449 762 523		535 299 193
Nominal rate-based tax	21,42%	96 339 132	22,44%	120 121 139
Impairment losses beyond the limits	-0,04%	(176 937)	-0,11%	(592 840)
Tax shortfall (Corporate Tax and VAT)	0,03%	130 279	0,00%	(21 105)
Separate Taxation	0,00%	1 588	0,00%	1 923
Withholding tax - flat rate for term deposits	0,00%	-	-0,01%	(78 635)
Depreciation outside the legal limits - Vehicles	0,12%	552 863	0,05%	276 571
30% for costs with passenger vehicles and mixed vehicles	0,13%	563 249	0,07%	359 157
50% for representation expenses	0,00%	7 942	0,00%	9 617
Depreciation for passenger vehicles not accepted in the previous year	-0,24%	(1 062 110)	-0,15%	(794 366)
Tax Benefits (Training, Internships and Scholarships - CBF art. 33)	0,00%	-	-0,01%	(47 286)
Tax Benefits (Job creation - CBF art 32)	-0,01%	(45 500)	-0,01%	(62 667)
Other costs	0,21%	924 941	0,02%	126 278
	21,62%	97 235 448	22,29%	119 297 787

20. RELATED ENTITIES

- Identification of the related entities

Pursuant to FRS 4, related entities are those parties in which SISP exercises, directly or indirectly, significant influence over their financial and operational policy and management and the entities that have significant influence on the Company's management. In this context, the entities that are to be considered for the purposes of these disclosures are the shareholders of SISP, which are listed below:

- Banco de Cabo Verde
- Banco Comercial do Atlântico
- Caixa Económica de Cabo Verde
- Banco Caboverdeano de Negócios
- Banco Interatlântico
- Cabo Verde Telecom
- State of Cabo Verde – Treasury
- Banco BAI Cabo Verde

- Details of the balances with related entities:

	12/31/2024					
	Bank deposits	Customers	Other accounts receivable	Suppliers	VISA/MasterCard Clearing	Other accounts payable
	(Note 4)	(Note 11)	(Note 11)	(Note 11)	(Note 12)	
Banco de Cabo Verde	136 616 535	1 022 974	-	-	(198 414 980)	-
Banco Comercial do Atlântico	95 892 995	18 268 640	1 310 895	-	-	-
Caixa Económica de Cabo Verde	47 030 725	13 524 718	-	-	-	-
Banco Caboverdeano de Negócios	105 765 292	7 128 065	3 207 751	-	-	-
Banco Interatlântico	80 376 753	14 149 834	-	-	-	-
Cabo Verde Telecom	-	1 938 942	-	(5 577 601)	-	-
State - Treasury	-	9 554 099	-	-	-	-
Banco BAI CV	64 790 721	4 669 081	2 133 884	-	-	-
	<u>530 473 021</u>	<u>70 256 353</u>	<u>6 652 530</u>	<u>(5 577 601)</u>	<u>(198 414 980)</u>	<u>-</u>

	12/31/2023					
	Bank deposits	Customers	Other accounts receivable	Suppliers	VISA/MasterCard Clearing	Other accounts payable
	(Note 4)	(Note 11)	(Note 11)	(Note 11)	(Note 12)	
Banco de Cabo Verde	540 941 748	833 748	-	-	(593 464 858)	-
Banco Comercial do Atlântico	18 069 882	17 524 911	1 730 228	-	-	(535 840)
Caixa Económica de Cabo Verde	54 307 879	14 098 310	-	-	-	(764 850)
Banco Caboverdeano de Negócios	122 407 522	3 942 734	1 057 645	-	-	(118 016)
Banco Interatlântico	91 727 640	4 346 587	-	-	-	(169 210)
Cabo Verde Telecom	-	1 856 963	-	(5 732 926)	-	-
State - Treasury	-	3 787 972	-	-	-	-
Banco BAI CV	59 874 171	3 400 154	1 056 734	-	-	(107 623)
	<u>887 328 842</u>	<u>49 791 379</u>	<u>3 844 607</u>	<u>(5 732 926)</u>	<u>(593 464 858)</u>	<u>(1 695 539)</u>

- Details of the transactions with related entities:

	12/31/2024				
	External supplies and services (Note 15)	Interest and similar loss paid (Note 18)	Other costs and losses (Note 17)	Interest and similar gains received (Note 18)	Sales and services provided (Note 14)
Banco de Cabo Verde	(2 688)	-	-	-	4 021 739
Banco Comercial do Atlântico	(43 213 286)	(1 253 854)	-	-	91 628 896
Caixa Económica de Cabo Verde	(40 574 054)	(262 882)	(25 067)	-	150 679 771
Banco Caboverdeano de Negócios	(17 565 288)	-	(5 175)	906 432	35 189 134
Banco Interatlântico	(16 890 604)	(7 791 402)	(3 623)	-	38 828 092
State - Treasury	-	-	-	-	15 543 539
Cabo Verde Telecom	(52 579 444)	-	-	-	18 268 996
Banco BAI CV	(18 021 124)	-	(1 035)	-	41 402 063
	<u>(188 846 488)</u>	<u>(9 308 138)</u>	<u>(34 900)</u>	<u>906 432</u>	<u>395 562 230</u>

	12/31/2023				
	External supplies and services (Note 15)	Interest and similar loss paid (Note 18)	Other costs and losses (Note 17)	Interest and similar gains received (Note 18)	Sales and services provided (Note 14)
Banco de Cabo Verde	(1 704)	-	-	-	7 580 293
Banco Comercial do Atlântico	(30 009 101)	(1 097 563)	(2 588)	-	106 992 554
Caixa Económica de Cabo Verde	(26 851 281)	(212 553)	(12 415)	-	133 095 702
Banco Caboverdeano de Negócios	(11 047 612)	-	(3 653)	881 768	52 648 541
Banco Interatlântico	(11 710 195)	(695 145)	(2 070)	-	44 425 803
State - Treasury	-	-	-	-	19 699 323
Cabo Verde Telecom	(3 131 842)	-	-	-	11 236 310
	<u>(11 353 785)</u>	<u>-</u>	<u>(3 888)</u>	<u>-</u>	<u>33 709 835</u>
	<u>(94 105 520)</u>	<u>(2 005 261)</u>	<u>(24 614)</u>	<u>881 768</u>	<u>409 388 361</u>

Transactions with related entities are performed, by rule, under normal market conditions.

21. SUBSEQUENT EVENTS

There were no confirmed events subsequent to December 31, 2024 that could be disclosed or that required any adjustment.

The Board of Directors,

The Certified Accountant,

SISP

Ana Lina Teixeira Mascarenhas

Report and Opinion of the Supervisory Board

Dear Shareholders of the Sociedade Interbancária e Sistemas de Pagamentos, S.A.,

1. Introduction

In compliance with their legal and statutory obligations and the assignment thereon, the members of the Supervisory Board (SB) hereby present the Report on their supervisory activities, as well as their Opinion on the Management Report, Financial Statements and other accountability elements submitted by the Board of Directors of the Sociedade Interbancária e Sistemas de Pagamentos, S.A., hereinafter referred to as “SISP” or “Company”, for the year ended December 31, 2024.

2. Monitoring Activities

Throughout the financial year of 2024, the SB monitored, at the intervals and to the extent it considered appropriate to the Company's activity, the frequency of the accounting records and the compliance with the applicable legal and statutory rules, and obtained the clarifications and information requested from the management body and the Company's various departments. The SB also followed up SISP's activities and management, namely:

- the main decisions of the Board of Directors transposed into the minutes taken of all meetings held by the latter;
- the compliance of the accounting records and financial statements on a regular basis;
- the reasonability and effectiveness of the internal control system, especially in what respects the financial preparation and disclosure process; and
- Analyzed different reports produced by the internal control and governance areas.

3. Financial Statements' Analysis

As part of our work, we have examined the financial statements as of December 31, 2024, which comprise:

- The Balance Sheet;
- The Income Statement;
- The Statement of Changes in Equity;

- The Statement of Cash Flows and;
- The Notes to the Financial Statements, which include the accounting policies and the recognition criteria.

In addition:

- We reviewed the Management Report prepared by the Board of Directors, which clearly and objectively sets out the evolution of the business and the company's performance and presents the Proposal for the Appropriation of Net Income.
- We held a few meetings with the relevant officials and obtained additional information on various matters, mainly related to the control and management of the Company's operational risk.
- We also met with the external auditor Ernst & Young and obtained the clarifications required to understand the Financial Statements as at December 31, 2024, and thereafter appraised the Audit Report, which was presented without reservations or emphasis, containing, however, a relevant matter related to the manual process associated with recognition of revenue, and the Supervisory Board is satisfied with the approach taken by the External Auditor with regard to the procedures carried out with a view to testing the reliability of the information.

4. Statement of Compliance & Conformity

The Supervisory Board concludes from its analysis that:

- The Management Report, prepared in accordance with the Accounts for the year, is insightful on the evolution of SISP's business, which shows a positive performance despite the reduction in Net Profit compared to the same period in the previous year.
- The accounting policies and valuation criteria used are generally appropriate and there were no significant voluntary changes in accounting policies during 2024.
- The financial statements provide an adequate understanding of SISP's financial situation as at December 31, 2024, its results, changes in equity and cash flows, and give a true and fair view of the Company's financial position and results in all material respects.
- The proposed appropriation of net income does not contravene the legal regulations.

5. Opinion

In light of the foregoing, the Supervisory Board recommends that the General Meeting of Shareholders approve:

- a) the Management Report for the financial year 2024;
- b) the Financial Statements of the Sociedade Interbancária e Sistemas de Pagamentos, S.A. for the year ended on December 31, 2024;
- c) the proposal for the Appropriation of Net Income as submitted by the Board of Directors.

Finally, the Supervisory Board would like to thank the Board of Directors, SISP's Managing Director and employees with whom it had the most direct contact for the excellent cooperation provided while performing its duties.

Praia, March 17, 2025.

THE SUPERVISORY BOARD,

Manuel Sanches Tavares Júnior

Mónica Vitória do Espírito Santo Correia Garcia

Ana Elizabeth Pires Carvalho Vicente

Independent Auditor's Report and Opinion

EY

Shape the future with confidence

Independent Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of the Sociedade Interbancária e Sistemas de Pagamentos, S.A. ("the Company"), which comprise the Balance Sheet as at December 31, 2024, (evidencing a total of CVE 2,376,691,272 and owner equity of CVE 1,766,252,449, including net earnings of CVE 352,527,075), the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, as well as the corresponding Annexes which include a summary of the relevant accounting policies.

In our opinion, the attached financial statements give a true and fair view, in all aspects materially relevant, of the financial position of the SISP – Sociedade Interbancária e Sistemas de Pagamentos, S.A. as of 31 December 2024, as well as its financial performance and cash flows for the year then ended, in accordance with the Accounting and Financial Reporting System Standards System in force in Cabo Verde.

Bases for the Opinion

Our audit has been conducted in accordance with the International Auditing Standards (IAS). Our responsibilities under these standards are described in the section "Responsibilities of the Auditor for auditing the financial statements" of this report. We are independent from the Company as required by the Code of Ethics of the Professional Bar of Certified Auditors and Accountants, which complies with the principles and standards of the Code of Ethics for Accountants and Auditors issued by the International Ethics Standards Board for Accountants (IESBA). We also comply with the remaining ethical responsibilities announced in those provisions.

We believe that the audit evidence we have obtained is sufficient and provides an appropriate basis for our audit opinion.

Relevant Audit Matters

Relevant audit matters are those matters that, in our professional judgment, were of most importance in our audit of the financial statements regarding the current year. These matters were considered in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not express a separate opinion on those matters.

The relevant audit matters for the current year are described below:

1. Revenue recognition - commissions charged to customers

Description of the most significant material distortion risks	Summary of our response to the most significant material distortion risks
<p>The item Provision of Services and Sales totals on December 31, 2024 the amount of CVE 1.717.489.422.</p> <p>The details of Provision of Services and Sales and the accounting policies used are disclosed in the notes to the financial statements (Notes 3, 7 and 14).</p> <p>The recognition of revenue relative to commissions charged to customers is based on an annual tariff that is defined and approved by the General Meeting. This tariff or price list is then loaded manually into the Company's computer systems. Given the manual process associated with revenue recognition, we consider this a relevant audit matter.</p>	<p>Our audit approach included, among others, the execution of the following procedures:</p> <ul style="list-style-type: none">• assessment of the design and testing of the effectiveness of the relevant control procedures instituted by SISP in the price revision process and its effect on the information systems;• performing substantive analytical procedures on the balances of the item "Provision of Services and Sales", comparing them with the homologous period and with the expectations formed, of which we highlight the understanding of the variations occurred in the company's turnover and changes in commissions; and• tests to the appropriation of revenue recognized in the fiscal year.

Responsibilities of the Managing Body and the Supervisory Body for the financial statements

The managing body is responsible for the preparation of financial statements that present, in a true and fair way, the Company's financial position, financial performance and cash flows in accordance with the principles generally accepted in Cabo Verde and for the maintenance of the internal controls deemed necessary to ensure the preparation of financial statements that are free from material misstatement due to fraud or error.

While preparing the financial statements, the managing body is responsible for assessing the Company's capacity to continue its operations, disclosing, where applicable, the designed provisions for continuity, and using the assumption of business continuity, unless it plans to liquidate the company or cease its operations or otherwise has no other realistic alternative but doing so.

The supervisory body is responsible for supervising the Company's financial reporting process.

Responsibilities of the Auditor for auditing the financial statements

Our responsibility is to perform the audit so as to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud or error and prepare a report expressing our opinion. A reasonable degree of assurance is a high-level assurance but is not a guarantee that an audit performed in accordance with the IAS will definitely detect a material misstatement, should it exist. Distortions may be rooted at fraud or error and are considered material if, individually or jointly, they are reasonably deemed to influence economic decisions taken by the users on the basis of those financial statements.

As part of an audit in accordance with the IAS, we make professional judgments and maintain professional skepticism throughout the audit and also:

- Identify and assess the risks of material distortion of financial statements due to fraud or error, design and execute audit procedures to meet those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material distortion due to fraud is even greater than the risk of not detecting a material distortion due to error, whereas fraud can involve conspiracy, falsification, deliberate omissions, misstatements, or overlap of internal control;
- Obtain an understanding of the internal control relevant to the audit with the purpose of creating audit procedures that are appropriate under the circumstances, but not to express an opinion on the effectiveness of the Company's internal control;

- Assess the adequacy of the accounting policies used and the reasonability of the accounting estimates and respective disclosures made by the managing body;
- Conclude whether the use of the going concern basis by the managing body was appropriate and, based on the audit evidence obtained, if there is any material uncertainty as regards events or conditions that may raise significant concerns on the Company's ability to continue its activities. If we conclude that there is material uncertainty, we must draw attention in our report to the related disclosures included in the financial statements or otherwise modify our opinion if such disclosures are not adequate. Our conclusions are based on the audit evidence received up to the date of our report. However, future events or conditions may lead the Company to discontinue its activities; and
- Evaluate the presentation, structure, and overall content of the financial statements, including the disclosures, and also if those financial statements represent the relevant transactions and events so as to reach an appropriate presentation.

We communicate and exchange views with those in charge, among other matters, about the planned scope and timeframe of the audit, as well as significant audit matters, including any significant internal control deficiencies identified during the audit work.

OTHER INFORMATION

On the management report

The managing body is responsible for preparing other information. This other information comprises the Management Report, which does not include the financial statements and our report thereon, which we obtained before the date of our report.

Our opinion on the financial statements does not cover the information contained in the Management Report, and we do not express any assurance of reliability on such other information.

In auditing the financial statements, our responsibility is to read the Management Report and, consequently, consider whether the information it contains is materially inconsistent with the financial statements, based on the knowledge gained during the audit, or if it appears to be materially misstated.

If, based on the work performed on the other information that we obtained prior to the date of our report, we conclude that there is a material misstatement in the Management Report, we are required to report on this fact. We have nothing to disclose in this regard.

Praia, March 19, 2025.

EY Cabo Verde - Auditors and Consultants – Firm of Certified Auditors, Lda.
Represented by:

Luis Alberto da Silva Aguiar
OPACC Certified Auditor No. 41

António Filipe Dias da Fonseca Brás
Partner



Annual Report 2024

SISP, S.A.

Sociedade Interbancária e Sistemas Pagamentos, S.A.