



**Login SA**

**Annual Reporting Package  
December 31, 2018**

**STATEMENT OF FINANCIAL POSITION (amounts in EUR)**

<b>ASSETS</b>	<b>NOTES</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
<b>Non-current assets</b>			
Tangible assets	7	32.046,67	27.876,87
Intangible assets	8	1.446.554,37	1.392.594,56
Other non-current assets		46.121,53	46.377,96
<b>Total non-current assets</b>		<b>1.524.722,57</b>	<b>1.466.849,39</b>
<b>Current assets</b>			
Trade receivables	9	757.472,02	828.177,52
Other receivables		81.687,13	76.046,20
Advances from clients		2.559,10	1.220,40
Cash and cash equivalents	10	587.965,87	325.325,83
Deferred Charges		54.853,83	53.483,12
Deferred exchange losses		3.129,49	1.772,12
<b>Total current assets</b>		<b>1.487.667,44</b>	<b>1.286.025,19</b>
<b>TOTAL ASSETS</b>		<b>3.012.390,01</b>	<b>2.752.874,58</b>
<b>LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	200.000,00	200.000,00
Share issues Premium	11	150.000,00	150.000,00
Reserves		20.000,00	20.000,00
Retained earnings		698.011,00	362.639,81
Profit and lost account		(29.244,09)	335.371,19*
<b>Equity attributable to owners</b>		<b>1.038.766,91</b>	<b>1.068.011,00</b>
<b>Non-current liabilities</b>			
Other non-current liabilities		-	393,77
Provision for employees' indemnities		442.927,00	414.674,00
Other Provisions		3.129,49	2.461,55
<b>Total non-current liabilities</b>		<b>446.056,49</b>	<b>417.529,32</b>
<b>Current liabilities</b>			
Trade creditors & other liabilities		914.450,85	651.501,43
Deferred tax liabilities	6	37.905,24	49.528,66
Deferred revenues		575.210,52	566.304,17
<b>Total current liabilities</b>		<b>1.527.566,61</b>	<b>1.267.334,26</b>
<b>Total equity and liabilities</b>		<b>3.012.390,01</b>	<b>2.752.874,58</b>

\*Amounts related to post acquisition period 1 July 2017-31 December 2017

The accompanying notes are an integral part of the Financial Statements

**STATEMENT OF PROFIT AND LOSS (amounts in EUR)**

		<b>2018</b>	<b>2017*</b>
<b>Revenue Sales</b>	4	2.815.415,83	1.805.814,19
Cost of sales	5	(2.385.478,51)	(1.119.264,63)
<b>Gross profit</b>		<b>429.937,32</b>	<b>686.549,56</b>
Other operating income		35.935,02	33.022,82
<b>Total</b>		<b>465.872,34</b>	<b>719.572,38</b>
Selling and marketing expenses			
General and administrative expenses	5	(531.869,25)	(210.881,16)
Other expenses	5	(3.129,49)	7.714,36
<b>Operating profit/(loss)</b>		<b>(69.126,40)</b>	<b>516.405,58</b>
Financial income / (expenses)		28.258,89	(14.764,16)
<b>Profit/(loss) for the year before taxes</b>		<b>(40.867,51)</b>	<b>501.641,42</b>
Income tax	6	11.623,42	(166.270,23)
<b>Profit/(loss) for the year after tax</b>		<b>(29.244,09)</b>	<b>335.371,19</b>

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*\*Amounts related to post acquisition period 1 July 2017-31 December 2017*

STATEMENT OF CHANGES IN EQUITY (amounts in EUR)

	Share capital	Share Premium	Reserves	Retained earnings	Total equity
Balance as at 1 July 2017 (Acquisition date)	200 000,00	150 000,00	20 000,00	362.639,81	732.639,81
Profit/ (loss)				335.371,19	335.371,19
<b>Balance as at 31 December 2017</b>	<b>200 000,00</b>	<b>150 000,00</b>	<b>20 000,00</b>	<b>698.011,00</b>	<b>1.068.011,00</b>
Profit / (loss)				(29.244,09)	(29.244,09)
<b>Balance as at 31 December 2018</b>	<b>200 000,00</b>	<b>150 000,00</b>	<b>20 000,00</b>	<b>668.766,91</b>	<b>1.038.766,91</b>

The accompanying notes are an integral part of the Financial Statements

## STATEMENT OF CASH FLOWS (amounts in EUR)

	2018
<b>Cash flows from operating activities</b>	
<b>Loss before tax</b>	<b>(40.867,51)</b>
Adjustments for:	
Depreciation and Amortization	258.443,68
Provisions	28.527,17
Non cash items (income) / expenses	(373,51)
Investing activities (gains) / losses	-
Foreign exchange (gains) / losses	6.402,62
Financial expenses	8.449,53
<b>Working capital adjustments</b>	
Decrease / (increase) of Inventories	
Decrease / (increase) of Receivables	62.355,16
(Decrease) / increase of liabilities	271.462,00
Less:	
Paid Employees indemnities	(38.360,00)
Paid Financial expenses	(8.449,53)
Paid Taxes	-
<b>Total cash inflows / (outflows) from Operating activities (a)</b>	<b>547.589,61</b>
<b>Investment activities</b>	
Purchase of Tangible & Intangible fixed assets	(316.573,29)
Financial income	31.623,72
<b>Total cash inflows / (outflows) from Investing activities (b)</b>	<b>(284.949,57)</b>
<b>Financing activities</b>	
Proceeds from borrowing	
Payment of Bank loans	
<b>Total cash inflows / (outflows) from Financing activities (c)</b>	<b>0,00</b>
<b>Net increase / (decrease) in Cash &amp; equivalents for the period (a) + (b) + (c)</b>	<b>262.640,04</b>
<b>Cash &amp; equivalents at the beginning of the period</b>	<b>325.325,83</b>
Foreign exchange gains / (losses) on cash & equivalents	
<b>Cash &amp; equivalents at the end of the period</b>	<b>587.965,87</b>

The accompanying notes are an integral part of the Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information about the Company and the Group

The Company, is a subsidiary of the PROFILE SYSTEMS & SOFTWARE Group has principal activities, in accordance with article 3 of its Articles of Incorporation, in the manufacturing and marketing of software and PCs, providing data transmission services through selected and other communication networks. The Company's registered office is at 56 Bd de la Mission Marchand, Courbevoie, France and has 21 employees.

### 2. Basis of preparation of the annual financial statements

The accounting policies followed by the Company for the preparation of the financial statements are the same as those described in the published Group annual financial statements.

### 3 Significant Accounting Estimates and Judgements:

The Company make estimates, assumptions and valuation judgments in order to apply the most appropriate accounting principles in relation to the future development of events and transactions. These estimates, assumptions and judgments are the same as those described in the published Group annual financial statements.

### 4. Revenue Analysis

Revenues are analyzed as follows:.

01.01-31.12.2018	Total
<b>Sales</b>	
Intercompany	391.819,50
Sales to third parties	2.423.596,33
<b>Total</b>	<b>2.815.415,83</b>

01.07-31.12.2017	Total
<b>Sales</b>	
Intercompany	283.040,17
Sales to third parties	1.522.774,02
<b>Total</b>	<b>1.805.814,19</b>

### 5. Expense Analysis

The expenses are analysed as follows:

	31.12.2018	2 <sup>nd</sup> semester 2017
Remuneration and staff costs	(1.892.596,18)	(1.067.819,06)
Taxes Fees	(173.621,98)	(37.590,22)
Depreciation of fixed assets	(259.260,35)	(7.280,09)
Fees and expenses of third parties	(594.998,74)	(209.742,06)
<b>Total</b>	<b>(2.920.477,25)</b>	<b>(1.322.431,43)</b>

The distribution of costs, is as follows :

	31.12.2018	2 <sup>nd</sup> semester 2017
Cost of sales	(2.385.478,51)	(1.119.264,63)
General and administrative expenses	(531.869,25)	(210.881,16)
Other expenses	(3.129,49)	7.714,36
<b>Total</b>	<b>(2.920.477,25)</b>	<b>(1.322.431,43)</b>

The number of personnel as at 31 December 2018 and 31 December 2017 are analyzed as follows:

	31.12.2018	31.12.2017
Number of personnel	21	21
<b>Total cost</b>	<b>(1.892.596,18)</b>	<b>(1.067.819,06)</b>

## 6. Income Tax

The amount of taxes has been calculated using the actual tax rates for each fiscal year. Non-deductible expenses include mainly provisions that are reformed by management when calculating income tax.

Income tax declarations are filed on a yearly basis but the gains and losses reported for tax purposes remain temporary until the tax authorities review the tax returns and taxpayer's books at the time that the related tax liabilities are settled. Tax losses, to the extent recognized by the tax authorities, may be used to offset profits for the five subsequent fiscal years that follow their intended use.

The following is a reconciliation for nominal and effective tax rates for the Company:

	31.12.2018
<b>Loss before tax</b>	<b>(40.867,51)</b>
Income tax calculated at the nominal applicable tax rate (2018: 28%)	(11.442,90)
Tax effect of non -taxable income	6.459,10
Tax effect of non tax deductible expenses	(6.639,62)
<b>Income taxes that reported in the Income Statement</b>	<b>(11.623,42)</b>

Deferred tax accounts for the Company are analyzed as follows:

	31.12.2018	31.12.2017
Deferred tax liabilities	37.905,24	49.528,66
	<b>37.905,24</b>	<b>49.528,66</b>

## 7. Tangible fixed assets

Tangible assets are presented as follows:

	Buildings	Furniture and other equipment	Total
<b>Cost or estimate</b>	<b>23.102,71</b>	<b>16.559,55</b>	<b>39.662,26</b>
<b>01.01.2017</b>			
Additions in period	0,00	697,20	697,20
<b>31.12.2017</b>	<b>23.102,71</b>	<b>17.256,75</b>	<b>40.359,46</b>
<b>Depreciation</b>	0,00	0,00	0,00
<b>01.01.2017</b>			
Depreciation in period	(5.131,09)	(7.351,50)	(12.482,59)
<b>Net book value 31.12.2017</b>	<b>17.971,62</b>	<b>9.905,25</b>	<b>27.876,87</b>
<b>Cost or estimate</b>			
Additions in period	0,00	12.446,58	12.446,58
Deductions in period	0,00	(1.215,39)	(1.215,39)
<b>31.12.2018</b>	<b>17.971,62</b>	<b>21.136,44</b>	<b>39.108,06</b>
<b>Depreciation</b>	0,00	0,00	0,00
Deductions in period	0,00	0,00	0,00
Depreciation in period	(4.054,23)	(3.007,16)	(7.061,39)
<b>Net book value 31.12.2018</b>	<b>13.917,39</b>	<b>18.129,28</b>	<b>32.046,67</b>

## 8. Intangible assets

The intangible assets are analyzed as follows:

	Development expenses	Purchased Software	Other intangible assets	Total
<b>Net book value 01.01.2017</b>	<b>1.391.284,30</b>	<b>6.185,85</b>	<b>0,00</b>	<b>1.397.470,15</b>
Additions	0,00	0,00	0,00	0,00
Amortization	(4.875,59)	0,00	0,00	(4.875,59)
<b>Net book value 31.12.2017</b>	<b>1.386.408,71</b>	<b>6.185,85</b>	<b>0,00</b>	<b>1.392.594,56</b>
Additions	300.000,00	5.342,10	0,00	305.342,10
Amortization	(250.445,46)	(936,83)	0,00	(251.382,29)
<b>Net book value 31.12.2018</b>	<b>1.435.963,25</b>	<b>10.591,12</b>	<b>0,00</b>	<b>1.446.554,37</b>



## 9. Trade receivables

The trade receivables of the Company are analyzed as follows:

	31.12.2018	31.12.2017
Accounts receivable to IC	598.440,11	319.376,99
Accounts receivable billed to 3rd Parties	159.031,91	508.800,53
<b>Total</b>	<b>757.472,02</b>	<b>828.177,52</b>

## 10. Cash and cash equivalents

The cash and cash equivalents are analyzed as follows:

	31.12.2018	31.12.2017
Cash on hand	5.555,17	4.611,89
Cash in banks	582.410,70	320.713,94
<b>Total</b>	<b>587.965,87</b>	<b>325.325,83</b>

## 11. Share capital and share premium

The change in the share capital of the Company is analyzed as follows:

	Shares	Share capital	Share premium
<b>Balance 01.01.2017</b>	<b>130 000,00</b>	<b>200 000,00</b>	<b>0,00</b>
Share capital increase	0,00	0,00	150 000,00
<b>Balance 31.12.2017</b>	<b>130 000,00</b>	<b>200 000,00</b>	<b>150 000,00</b>
Share capital increase	0,00	0,00	0,00
<b>Balance 31.12.2018</b>	<b>130 000,00</b>	<b>200 000,00</b>	<b>150 000,00</b>

## 12. Transactions with related parties

The Company's transactions with the Group companies are analyzed as follows:

	2018		2017	
	Sales	Purchases	Sales	Purchases
<b>Intercompany transactions</b>				
GLOBAL SOFT SA				
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD				
COMPUTER INTERNATIONAL FRANCHISE LTD				
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA				
PROFILE SOFTWARE (UK) LTD	252.381,02	38.360,97	229.000,00	
PROFILE DIGITAL SERVICES SA				
Profile S.A.	139.438,48	140.160,94	54.040,17	
<b>Total</b>	<b>391.819,50</b>	<b>178.521,91</b>	<b>283.040,17</b>	

The terms of the transactions with the parties involved provide that sales to and purchases from, related parties are made at prevailing market prices at that time.

The Company's balances with the Group companies are analyzed as follows:

Intercompany transactions	Receivables		Liabilities	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
GLOBAL SOFT SA				
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD				
COMPUTER INTERNATIONAL FRANCHISE LTD				
PROFILE SYSTEMS & SOFTWARE (SUISSE) SA				
PROFILE SOFTWARE (UK) LTD	352.158,88	166 400,00	38.360,97	
PROFILE DIGITAL SERVICES SA				
Profile SA	246.281,23	152 976,99	140.160,94	
<b>Total</b>	<b>598.440,11</b>	<b>319.376,99</b>	<b>178.521,91</b>	

### 13. Post Balance Sheet Events

There are no events subsequent to the balance sheet of 31 December 2018 that concern either the Company or the Group, to which reference is made by International Accounting Standards (IFRS).