



Login SA

**Annual Reporting Package
December 31, 2019**

STATEMENT OF FINANCIAL POSITION (amounts in EUR)

ASSETS	NOTES	31.12.2019	31.12.2018
Non-current assets			
Tangible assets	7	25.372,99	32.046,67
Rights of use assets	13	188.874,42	-
Intangible assets	8	1.422.702,75	1.446.554,37
Other non-current assets		47.109,99	46.121,53
Total non-current assets		1.684.060,15	1.524.722,57
Current assets			
Trade receivables	9	438.717,16	757.472,02
Other receivables		52.704,49	81.687,13
Advances from clients		2.559,10	2.559,10
Cash and cash equivalents	10	1.558.462,54	587.965,87
Deferred Charges		45.608,24	54.853,83
Deferred exchange losses		3.824,09	3.129,49
Total current assets		2.101.875,62	1.487.667,44
TOTAL ASSETS		3.785.935,77	3.012.390,01
LIABILITIES			
Equity			
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		669.731,24	698.011,00
Profit and loss account		263.513,77	(29.244,09)
Equity attributable to owners		1.303.245,01	1.038.766,91
Non-current liabilities			
Provision for employees' indemnities		664.215,00	442.927,00
Lease Liabilities	13	109.961,22	-
Other Provisions		3.824,09	3.129,49
Total non-current liabilities		778.000,31	446.056,49
Current liabilities			
Trade creditors & other liabilities		961.884,70	914.450,85
Lease Liabilities	13	80.721,08	-
Deferred tax liabilities	6	116.501,66	37.905,24
Deferred revenues		545.583,01	575.210,52
Total current liabilities		1.704.690,45	1.527.566,61
Total equity and liabilities		3.785.935,77	3.012.390,01

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF PROFIT AND LOSS (amounts in EUR)

	<u>NOTES</u>	01.01- 31.12.2019	01.01- 31.12.2018
Revenue Sales	4	4.604.776,72	2.815.415,83
Cost of sales	5	(2.802.274,32)	(2.385.478,51)
Gross profit		1.802.502,40	429.937,32
Other operating income		55.342,42	35.935,02
Total		1.857.844,82	465.872,34
General and administrative expenses	5	(1.409.998,67)	(531.869,25)
Other expenses	5	(135.824,09)	(3.129,49)
Operating profit/(loss)		312.022,06	(69.126,40)
Financial income / (expenses)		30.088,13	28.258,89
Profit/(loss) for the year before taxes		342.110,19	(40.867,51)
Income tax	6	(78.596,42)	11.623,42
Profit/(loss) for the year after tax		263.513,77	(29.244,09)

The accompanying notes are an integral part of the Financial Statements

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
Balance as at 31 December 2017	200 000,00	150 000,00	20 000,00	698.011,00	1.068.011,00
Profit / (loss)				(29.244,09)	(29.244,09)
Balance as at 31 December 2018	200 000,00	150 000,00	20 000,00	668.766,91	1.038.766,91
Profit / (loss)				263.513,77	263.513,77
Other comprehensive income, net of taxes				964,33	964,33
Total Comprehensive income after tax				264.478,10	264.478,10
Balance as at 31 December 2019	200 000,00	150 000,00	20 000,00	933.245,01	1.303.245,01

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CASH FLOWS (amounts in EUR)

	2019	2018
Cash flows from operating activities		
Loss before tax	342.110,19	(40.867,51)
Adjustments for:		
Depreciation and Amortization	389.625,71	258.443,68
Provisions	221.982,60	28.527,17
Non cash items (income) / expenses	218,50	(373,51)
Investing activities (gains) / losses	-	-
Foreign exchange (gains) / losses	745,83	6.402,62
Financial expenses	-	8.449,53
Working capital adjustments		
Decrease / (increase) of Inventories	-	-
Decrease / (increase) of Receivables	356.288,49	62.355,16
(Decrease) / increase of liabilities	208.488,64	271.462,00
Less:		
Paid Employees indemnities	-	(38.360,00)
Paid Financial expenses	-	(8.449,53)
Paid Taxes	-	-
Total cash inflows / (outflows) from Operating activities (a)	1.519.459,96	547.589,61
Investment activities		
Purchase of Tangible & Intangible fixed assets	(555.224,36)	(316.573,29)
Financial income	6.261,07	31.623,72
Total cash inflows / (outflows) from Investing activities (b)	(548.963,29)	(284.949,57)
Financing activities		
Proceeds from borrowing		
Payment of Bank loans		
Total cash inflows / (outflows) from Financing activities (c)	0,00	0,00
Net increase / (decrease) in Cash & equivalents for the period (a) + (b) + (c)	970.496,67	262.640,04
Cash & equivalents at the beginning of the period	587.965,87	325.325,83
Foreign exchange gains / (losses) on cash & equivalents		
Cash & equivalents at the end of the period	1.558.462,54	587.965,87

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

These financial statements for the year ended 31 December 2019 have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB"), as endorsed by the European Union ("EU").

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:

01.01-31.12.2019	Total
Sales	
Intercompany	304.267,60
Sales to third parties	4.300.509,12
Total	4.604.776,72

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

5. Expense Analysis

The expenses are analysed as follows:

	31.12.2019	31.12.2018
Remuneration and staff costs	(2.545.003,05)	(2.192.596,18)
Taxes Fees	(140.783,78)	(173.621,98)
Depreciation of fixed assets	(396.875,24)	(259.260,35)
Fees and expenses of third parties	(1.545.435,01)	(594.998,74)
Total	(4.628.097,08)	(3.220.477,25)

The distribution of costs, is as follows :

	31.12.2019	31.12.2018
Cost of sales	(2.577.090,16)	(2.385.478,51)
General and administrative expenses	(1.635.182,83)	(531.869,25)
Other expenses	(135.824,09)	(3.129,49)
Capitalized Expenses	(280.000,00)	(300.000,00)
Total	(4.628.097,08)	(3.220.477,25)

The number of personnel as at 31 December 2019 and 31 December 2018 are analyzed as follows:

	31.12.2019	31.12.2018
Number of personnel	21	21
Total cost	(2.545.003,05)	(2.183.462)

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 not considered by management when calculating income tax.

Income tax declarations are filed on a yearly basis but the gains and losses reported for tax purposes are concluded when 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 subsequent fiscal years that follow their intended use.

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

	31.12.2019	31.12.2018
Gain/Loss before tax	342.110,19	(40.867,51)
Income tax calculated at the nominal applicable tax rate (2019, 2018: 28%)	95.790,85	(11.442,90)
Tax effect of non -taxable income	(20.404,07)	6.459,10
Tax effect of non tax deductible expenses	3.209,64	(6.639,62)
Income taxes that reported in the Income Statement	78.596,42	(11.623,42)

Deferred tax accounts for the Company are analyzed as follows:

	31.12.2019	31.12.2018
Deferred tax liabilities	116.501,66	37.905,24
	116.501,66	37.905,24

7. Tangible fixed assets

Tangible assets are presented as follows:

	Buildings	Furniture and other equipment	Total
Cost or estimate	23.102,71	16.559,55	39.662,26
01.01.2017			
Additions in period	0,00	697,20	697,20
31.12.2017	23.102,71	17.256,75	40.359,46
Depreciation	0,00	0,00	0,00
01.01.2017			
Depreciation in period	(5.131,09)	(7.351,50)	(12.482,59)
Net book value 31.12.2017	17.971,62	9.905,25	27.876,87
Cost or estimate			
Additions in period	0,00	12.446,58	12.446,58
Deductions in period	0,00	(1.215,39)	(1.215,39)
31.12.2018	23.102,71	28.487,94	51.590,65
Depreciation	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)
31.12.2018	(9.185,32)	(10.358,66)	(19.543,98)
Net book value 31.12.2018	13.917,39	18.129,28	32.046,67
Cost or estimate			
Additions in period	955,00	1.925,96	2.880,96
Deductions in period	0,00	0,00	0,00
31.12.2019	24.057,71	30.413,90	54.471,61
Depreciation	0,00	0,00	0,00
Deductions in period	0,00	0,00	0,00
Depreciation in period	(3.250,37)	(6.304,27)	(9.554,64)
31.12.2019	(12.435,69)	(16.662,93)	(29.098,62)
Net book value 31.12.2019	11.622,02	13.750,97	25.372,99

8. Intangible assets

The intangible assets are analyzed as follows:

	Development expenses	Purchased Software	Other intangible assets	Total
Net book value 01.01.2017	1.391.284,30	6.185,85	0,00	1.397.470,15
Additions	0,00	0,00	0,00	0,00
Amortization	(4.875,59)	0,00	0,00	(4.875,59)
Net book value 31.12.2017	1.386.408,71	6.185,85	0,00	1.392.594,56
Additions	300.000,00	5.342,10	0,00	305.342,10
Amortization	(250.445,46)	(936,83)	0,00	(251.382,29)
Net book value 31.12.2018	1.435.963,25	10.591,12	0,00	1.446.554,37
Additions	280.000,00	2.522,80	0,00	282.522,80
Amortization	(300.455,46)	(5.918,96)	0,00	(306.374,42)
Net book value 31.12.2019	1.415.507,79	7.194,96	0,00	1.422.702,75

9. Trade receivables

The trade receivables of the Company are analyzed as follows:

	31.12.2019	31.12.2018
Accounts receivable to IC	128.813,25	598.440,11
Accounts receivable billed to 3rd Parties	309.903,91	159.031,91
Total	438.717,16	757.472,02

10. Cash and cash equivalents

The cash and cash equivalents are analyzed as follows:

	31.12.2019	31.12.2018
Cash on hand	5.288,79	5.555,17
Cash in banks	1.553.173,75	582.410,70
Total	1.558.462,54	587.965,87

11. Share capital and share premium

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

	Shares	Share capital	Share premium
Balance 01.01.2017	130 000,00	200 000,00	0,00
Share capital increase	0,00	0,00	150 000,00
Balance 31.12.2017	130 000,00	200 000,00	150 000,00
Share capital increase	0,00	0,00	0,00
Balance 31.12.2018	130 000,00	200 000,00	150 000,00
Share capital increase	0,00	0,00	0,00
Balance 31.12.2019	130 000,00	200 000,00	150 000,00

12. Transactions with related parties

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

Intercompany transactions	Sales		Purchases	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
GLOBAL SOFT SA	-	-	-	-
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	-	-	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	-	-	-	-
PROFILE DIGITAL SERVICES SA	-	-	-	-
PROFILE SOFTWARE (UK) LTD	72.996,83	252.381,02	123.615,00	38.360,97
PROFILE SA	231.270,77	139.438,48	900.441,92	140.160,94
Total	304.267,60	391.819,50	1.024.056,92	178.521,91

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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
GLOBAL SOFT SA	-	-	-	-
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	-	-	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	-	-	-	-
PROFILE DIGITAL SERVICES SA	-	-	-	-
PROFILE SOFTWARE (UK) LTD	5.557,13	352.158,88	27.359,30	38.360,97
PROFILE SA	123.256,12	246.281,23	156.978,68	140.160,94
Total	128.813,25	598.440,11	184.337,98	178.521,91

13. Leases (IFRS 16)

The company has applied for the first time the IFRS 16 standard, which is effective for annual reporting periods beginning on or after 1 January 2019.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Company	
Assets	
Rights to use fixed assets on 01.01.2019	269.820,60
Depreciation of the current year	(80.946,18)
Rights to use fixed assets 31.12.2019	188.874,42
Liabilities	
Long-term Lease Obligations	
Open Balance 01.01.2019	109.961,22
Interest	-
Payments	-
Open Balance 31.12.2019	109.961,22
Short-term Lease Obligations	
Open Balance 01.01.2019	159.859,39
Interest	5.396,41
Payments	(84.534,72)
Open Balance 31.12.2019	80.721,08

14. Post Balance Sheet Events

in relation to the wider uncertain conditions concerning the pandemic of the coronavirus disease 2019 (COVID-19), at the time the Annual Financial Report of the closing year was drafted, there were no efficient therapeutic medicines and vaccines and the efforts by the competent authorities worldwide are limited in managing the symptoms of patients and restricting the spread of the disease through unprecedented preventive measures. Therefore, given the presence of the Company in the global market, the risk is assessed as significant and real in terms of delays in the implementation of existing projects or assignment of new ones, due to the general uncertainty created in the current economic environment. The Management of the Company closely monitors, on a daily basis the developments, evaluates and takes any measures necessary to limit the effects, protect employees and maintain the business activities of the Company at satisfactory levels. On the basis of the developments and the measures taken, neither the Company nor any individual activity thereof, are faced at the time of drafting of the present Report with the possibility of being interrupted as a going concern. With the exception of the above, there are no events subsequent to the balance sheet of 31 December 2019 that concern either the Company or the Group, to which reference is made by International Accounting Standards (IFRS).