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**Annual Reporting Package
December 31, 2020**

COMPANY REGISTRATION NUMBER : 344 689 575 – NANTERRE (92) - FRANCE

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STATEMENT OF FINANCIAL POSITION (amounts in EUR)

ASSETS	NOTES	31.12.2020	31.12.2019
<u>Non-current assets</u>			
Tangible assets	7	21.370	25.373
Rights of use assets	13	397.921	188.874
Intangible assets	8	1.180.590	1.422.703
Other non-current assets		47.987	47.110
Total non-current assets		1.647.868	1.684.060
<u>Current assets</u>			
Trade receivables	9	693.913	438.717
Other receivables		50.311	52.705
Advances from clients		-	2.559
Cash and cash equivalents	10	1.018.217	1.558.463
Deferred Charges		43.362	45.608
Deferred exchange losses		4.850	3.824
Total current assets		1.810.653	2.101.876
TOTAL ASSETS		3.458.521	3.785.936
<u>LIABILITIES</u>			
<u>Equity</u>			
Share capital	11	200.000	200.000
Share issues Premium	11	150.000	150.000
Reserves		20.000	20.000
Retained earnings		820.508	669.731
Profit and loss account		40.584	263.514
Equity attributable to owners		1.231.092	1.303.245
<u>Non-current liabilities</u>			
Provision for employees' indemnities		522.772	664.215
Lease Liabilities	13	323.745	109.961
Other Provisions		4.850	3.824
Total non-current liabilities		851.367	778.000
<u>Current liabilities</u>			
Trade creditors & other liabilities		669.982	961.885
Lease Liabilities	13	62.698	80.721
Deferred tax liabilities	6	133.592	116.502
Deferred revenues		509.790	545.583
Total current liabilities		1.376.062	1.704.691
Total equity and liabilities		3.458.521	3.785.936

The accompanying notes are an integral part of the Financial Statement

STATEMENT OF PROFIT AND LOSS (amounts in EUR)

	<u>NOTES</u>	01.01- 31.12.2020	01.01- 31.12.2019
Revenue Sales	4	3.758.333	4.604.777
Cost of sales	5	(2.335.726)	(2.802.274)
Gross profit		1.422.607	1.802.503
Other operating income		45.445	55.342
Total		1.468.052	1.857.845
General and administrative expenses	5	(1.256.439)	(1.409.999)
Other expenses	5	(4.850)	(135.824)
Operating profit/(loss)		206.763	312.022
Financial income / (expenses)		(149.089)	30.088
Profit/(loss) for the year before taxes		57.674	342.110
Income tax	6	(17.090)	(78.596)
Profit/(loss) for the year after tax		40.584	263.514

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	150.000	20.000	362.640	732.640
Profit/ (loss)	-	-	-	335.371	335.371
Balance as at 31 December 2017	200.000	150.000	20.000	698.011	1.068.011
Profit / (loss)	-	-	-	(29.244)	(29.244)
Balance as at 31 December 2018	200.000	150.000	20.000	668.767	1.038.767
Profit / (loss)	-	-	-	263.514	263.514
Other comprehensive income, net of taxes	-	-	-	964	964
Total Comprehensive income after tax	-	-	-	264.478	264.478
Balance as at 31 December 2019	200.000	150.000	20.000	933.245	1.303.245
Profit / (loss)	-	-	-	40.584	40.584
Dividend Distribution	-	-	-	(110.000)	(110.000)
Other comprehensive income, net of taxes	-	-	-	(2.737)	(2.737)
Total Comprehensive income after tax	-	-	-	(72.153)	(72.153)
Balance as at 31 December 2020	200.000	150.000	20.000	861.092	1.231.092

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CASH FLOWS (amounts in EUR)

	01.01.2020- 31.12.2020	01.01.2019- 31.12.2019
Cash flows from operating activities		
Loss before tax	57.674	342.110
Adjustments for:		
Depreciation and Amortization	355.891	389.626
Provisions	(140.417)	221.983
Non cash items (income) / expenses	636	218
Investing activities (gains) / losses	-	-
Foreign exchange (gains) / losses	-	746
Financial expenses	(11.478)	-
Working capital adjustments		
Decrease / (increase) of Inventories	-	-
Decrease / (increase) of Receivables	(249.023)	356.288
(Decrease) / increase of liabilities	(327.695)	208.489
Less:		
Paid Employees indemnities	-	-
Paid Financial expenses	(110.000)	-
Paid Taxes	-	-
Total cash inflows / (outflows) from Operating activities (a)	(424.412)	1.519.460
Investment activities		
Purchase of Tangible & Intangible fixed assets	(114.958)	(555.224)
Financial income	(876)	6.261
Total cash inflows / (outflows) from Investing activities (b)	(115.834)	(548.963)
Financing activities		
Proceeds from borrowing	-	-
Payment of Bank loans	-	-
Total cash inflows / (outflows) from Financing activities (c)	-	-
Net increase / (decrease) in Cash & equivalents for the period (a) + (b) + (c)	(540.246)	970.497
Cash & equivalents at the beginning of the period	1.558.463	587.966
Foreign exchange gains / (losses) on cash & equivalents	-	-
Cash & equivalents at the end of the year	1.018.217	1.558.463

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 19 employees.

2. Basis of preparation of the annual financial statements

These financial statements for the year ended 31 December 2020 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:

01.01-31.12.2020	Total
Sales	
Intercompany	245.235
Sales to third parties	3.513.098
Total	3.758.333

01.01-31.12.2019	Total
Sales	
Intercompany	304.268
Sales to third parties	4.300.509
Total	4.604.777

5. Expense Analysis

The expenses are analysed as follows:

	31.12.2020	31.12.2019
Remuneration and staff costs	(1.968.043)	(2.545.003)
Taxes Fees	(154.615)	(140.784)
Depreciation of fixed assets	(426.923)	(396.875)
Fees and expenses of third parties	(1.152.434)	(1.545.435)
Total	(3.702.015)	(4.628.097)

The distribution of costs, is as follows :

	31.12.2020	31.12.2019
Cost of sales	(2.335.726)	(2.802.274)
General and administrative expenses	(1.256.439)	(1.409.999)
Other expenses	(4.850)	(135.824)
Capitalized Expenses	(105.000)	(280.000)
Total	(3.702.015)	(4.628.097)

The number of personnel as at 31 December 2020 and 31 December 2019 are analyzed as follows:

	31.12.2020	31.12.2019
Number of personnel	19	21
Total cost	(1.968.043)	(2.545.003)

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:

	31.12.2020	31.12.2019
Gain/Loss before tax	57.674	342.110
Income tax calculated at the nominal applicable tax rate (2020, 2019: 28%)	16.149	95.791
Tax effect of non -taxable income	-	(20.404)
Tax effect of non tax deductible expenses	941	3.209
Income taxes that reported in the Income Statement	17.090	78.596

Deferred tax accounts for the Company are analyzed as follows:

	31.12.2020	31.12.2019
Deferred tax liabilities	133.592	116.502
	133.592	116.502

7. Tangible fixed assets

Tangible assets are presented as follows:

	Buildings	Furniture and other equipment	Total
Balance 01.01.2017	23.103	16.560	39.663
Additions in period	-	697	697
Balance 31.12.2017	23.103	17.257	40.360
Additions in period	-	12.446	12.446
Deductions in period	-	(1.215)	(1.215)
Balance 31.12.2018	23.103	28.488	51.591
Additions in period	955	1.926	2.881
Balance 31.12.2019	24.058	30.414	54.472
Additions in period	-	5.852	5.852
Deductions in period	(2.025)	(12.503)	(14.528)
Balance 31.12.2020	22.033	23.763	45.796
Accumulated depreciations 01.01.2017	-	-	-
Depreciations in period	(5.131)	(7.352)	(12.483)
Accumulated depreciations 31.12.2017	(5.131)	(7.352)	(12.483)
Depreciations in period	(4.054)	(3.007)	(7.061)
Accumulated depreciations 31.12.2018	(9.185)	(10.359)	(19.544)
Depreciations in period	(3.251)	(6.304)	(9.555)
Accumulated depreciations 31.12.2019	(12.436)	(16.663)	(29.099)
Additions in period	3.742	12.503	16.245
Depreciations in period	(5.586)	(5.986)	(11.572)
Accumulated depreciations 31.12.2020	(14.280)	(10.146)	(24.426)
Net book value 31.12.2017	17.972	9.905	27.877
Net book value 31.12.2018	13.918	18.129	32.047
Net book value 31.12.2019	11.622	13.751	25.373
Net book value 31.12.2020	7.753	13.617	21.370

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	6.186	0,00	1.397.470
Amortization	(4.876)	0,00	0,00	(4.876)
Net book value 31.12.2017	1.386.408	6.186	0,00	1.392.594
Additions	300.000	5.342	0,00	305.342
Amortization	(250.445)	(937)	0,00	(251.382)
Net book value 31.12.2018	1.435.963	10.591	0,00	1.446.554

Additions	280.000	2.523	0,00	282.523
Amortization	(300.455)	(5.919)	0,00	(306.374)
Net book value 31.12.2019	1.415.508	7.195	0,00	1.422.703
Additions	105.000	7.126	0,00	112.126
Amortization	(347.132)	(7.107)	0,00	(354.239)
Net book value 31.12.2020	1.173.376	7.214	0,00	1.180.590

9. Trade receivables

The trade receivables of the Company are analyzed as follows:

	31.12.2020	31.12.2019
Accounts receivable to IC	39.405	128.813
Accounts receivable billed to 3rd Parties	654.508	309.904
Total	693.913	438.717

10. Cash and cash equivalents

The cash and cash equivalents are analyzed as follows:

	31.12.2020	31.12.2019
Cash on hand	4.240	5.289
Cash in banks	1.013.977	1.553.174
Total	1.018.217	1.558.463

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	200.000	-
Share capital increase	-	-	150.000
Balance 31.12.2017	130.000	200.000	150.000
Share capital increase	-	-	-
Balance 31.12.2018	130.000	200.000	150.000
Share capital increase	-	-	-
Balance 31.12.2019	130.000	200.000	150.000
Share capital increase	-	-	-
Balance 31.12.2020	130.000	200.000	150.000

12. Transactions with related parties

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

Intercompany transactions	Sales		Purchases	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
GLOBAL SOFT SA	-	-	-	-
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	-	-	82.750	-
COMPUTER INTERNATIONAL FRANCHISE LTD	-	-	-	-
PROFILE DIGITAL SERVICES SA	-	-	-	-
PROFILE SOFTWARE (UK) LTD	116.749	72.997	98.946	123.615
PROFILE SA	128.486	231.271	659.704	900.442
Total	245.235	304.268	841.400	1.024.057

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
GLOBAL SOFT SA	-	-	-	-
PROFILE SYSTEMS & SOFTWARE (CYPRUS) LTD	-	-	-	-
COMPUTER INTERNATIONAL FRANCHISE LTD	-	-	-	-
PROFILE DIGITAL SERVICES SA	-	-	-	-
PROFILE SOFTWARE (UK) LTD	-	5.557	27.645	27.359
PROFILE SA	39.405	123.256	15.128	156.979
Total	39.405	128.813	42.773	184.338

13. Leases (IFRS 16)

The company has applied IFRS 16 standard since 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	269.821
Depreciation of the current year	(80.946)
Rights to use fixed assets 31.12.2019	188.875
Additions of the current year	270.158
Depreciation of the current year	(61.112)
Rights to use fixed assets 31.12.2020	397.921

Liabilities	
Long-term Lease Obligations	
Open Balance 01.01.2019	109.961
Interest	-
Payments	-
Open Balance 31.12.2019	109.961
Additions of the current year	213.784
Interest	-
Payments	-
Open Balance 31.12.2020	323.745
Short-term Lease Obligations	
Open Balance 01.01.2019	159.860
Interest	5.396
Payments	(84.535)
Open Balance 31.12.2019	80.721
Additions of the current year	43.089
Interest	11.519
Payments	(72.631)
Open Balance 31.12.2020	62.698

14. Post Balance Sheet Events

Governments have taken extreme restrictive measures by curtailing economic activity to stem the spread of the new coronavirus, while competition for vaccines will also pose business risks. Strong and rapidly adapting leadership by the company is vital to managing safety concerns, stabilization of the business activity and shifting to upward recovery when external conditions allow it. The company has built resilience by reducing fear and uncertainty and is paving the way to a sound financial base. As the magnitude and duration of the crisis remain unclear, the top priorities remain the optimization of cash reserves, focusing on liquidity assessment, developing emergency scenarios as well as internal and external communication plans. 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 2020 that concern either the Company or the Group, to which reference is made by International Accounting Standards (IFRS).