



**VIVA ONLINE SERVICES S.A.**  
**ANNUAL FINANCIAL REPORT**

**for the year from  
1 January 2019 to 31 December 2019**

**in accordance with  
International Financial Reporting  
Standards (I.F.R.S.)**

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## Independent Auditor's Report

To the Shareholders of **VIVA ONLINE SERVICES SA**

### Opinion

We have audited the financial statements of **VIVA ONLINE SERVICES SA** (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company, throughout our appointment, in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, as incorporated in the Greek Law, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

Taking into consideration, that management is responsible for the preparation of the Directors' Report, pursuant to paragraph 5 of Article 2 (Part B) of Law. 4336/2015, we note that:

- A) In our opinion, the Directors' Report has been prepared in accordance with the legal requirements of Article 150 of Codified Law 4548/2018 and its content corresponds with the financial statements for the year ended 31/12/2019.
- B) Based on the knowledge we obtained during our audit of «VIVA ONLINE SERVICES SA» and its environment, we have not identified any material inconsistencies in the Report of the General Council.



**MAZARS Certified Public Accountants and  
Business Advisors S.A.**

**14 Amfitheas Avenue, Athens,**

**175 64, Greece**

**ELTE Reg. No: 17**

**Palaio Faliro, 10/04/2020  
The Certified Public Accountant**

**Konstantinos Makris  
ELTE Reg. No: 1483**



# **Annual Report of the Board of Directors**

**presented to the  
Annual General Meeting of Shareholders  
VIVA ONLINE SERVICES S.A.  
on the Financial Statements  
for the year ended 31 December 2019**

## Annual Financial Report of the Board of Directors For the year ended 31 December 2019

Dear Shareholders,

We wish to present you the financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, as well as the current Report of the Board of Directors for the financial year from 1 January 2019 to 31 December 2019. This report was written in accordance with the relevant provisions of Codified Law 4548/2018 and the Law 3556/2007 (F.E.K. 91A/30.4.2007).

This report contains the financial information of “**VIVA ONLINE SERVICES S.A.**” (“The Company”) for the financial year 2019 and describes important events that took place during this time period and their effect on the annual financial statements, the objectives and the prospects for the next financial year and, finally, the main risks and uncertainties that the Company may face.

The current fiscal year is the 14<sup>th</sup> fiscal year in which “**VIVA ONLINE SERVICES S.A.**” operates. Financial statements for the current fiscal year are prepared in accordance with the International Financial Reporting Standards (IFRS) and are based on the accounting principles and methods adopted by the Company’s Board of Directors.

### I. PERFORMANCE AND FINANCIAL POSITION

In 2019, the Company continued to be one of the major providers of POS card terminals acceptance in Greece. Additionally, the Company continued to develop new POS solutions and to further enhance its product offering to address wide ranging merchant needs.

Regarding events ticketing sector, the Company continues its rapid expansion for the fourth consecutive year as a leading ticketing services provider across all major domestic Entertainment, Sports, and Cultural events.

In the remaining sectors (travel & transportation, phone, other marketable items), Company revenue figures slightly decreased compared to those of the previous year.

Key figures for the 2019 financial year include:

- **Revenue** increased by 36.3% (from € 6.297.099 in 2018 to € 8.581.962 in 2019) from the prior year, mainly due to the increase in POS Sales and increase in ticketing services. The POS sales increase is mainly attributable to the increased purchase needs of Viva Payments (affiliate company), which in turn meets its expansion targets in new markets, serving a wider range of merchants. On the other hand, ticketing services were also increased by 35.5% from previous year, solidifying the strong position Viva has on this segment.
- **Total Expenses** increased by 24.2% (from € 6.884.108 in 2018 to € 8.551.569 in 2019 from the prior year), reflecting a proportionally higher POS Cost of Sales due to the aforementioned cause.
- The Company, in accordance with IFRS 9, has formed an additional provision for the year 2019, of € 282.605, which negatively affected both its current year results and retained earnings. Specifically, current year expenses increased by € 282.605, affecting also the below presented figures.
- **EBITDA** for the Company of € 778.123 (profit) in 2019 compared to € 216.370 (profit) in 2018.
- **Operating Results** for the Company of € 30.393 (profit) in 2019 compared to € 587.009 (loss) in 2018.
- **Profit before tax** amounted to € 55.632 (loss) in 2019 compared to € 744.110 (loss) in 2018.
- **Total assets** for the Company amounted to € 9.486.812 in 2019 compared to € 8.146.940 in 2018.
- **Non-current assets** after depreciation for 2019 amount to € 2.084.825 compared to € 2.694.039 in 2018.
- **Net equity** of the Company in 2019 amounts to € 3.710.222 compared to € 1.705.136 in 2018.
- The Company's **short-term liabilities** amount to € 5.481.166 in 2019 compared to € 5.930.583 in 2018.

Key financial indicators for the Company are presented below:

## Financial Ratios

	31/12/2019	31/12/2018
<b>A) Financial leverage and asset structure ratios</b>		
1. Debt to equity ratio:		
$\frac{\text{Long-term Liabilities}}{\text{Equity}}$	7,96%	29,98%
2. Loan ratio		
$\frac{\text{Bank liabilities}}{\text{Equity}}$	53,91%	43,98%
<b>B) Capitalization ratio</b>		
1. Current asset to total asset:		
$\frac{\text{Current assets}}{\text{Total assets}}$	78,02%	66,93%
2. Fixed asset to total assets:		
$\frac{\text{Non-current assets}}{\text{Total assets}}$	21,98%	33,07%
<b>C) Liquidity ratio</b>		
1. Capital liquidity ratios:		
$\frac{\text{Current assets}}{\text{Short term Liabilities}}$	135,04%	91,95%
2. Cash ratio		
$\frac{\text{Cash and cash equivalents}}{\text{Current assets}}$	4,13%	8,37%
<b>D) Profitability ratio</b>		
1. Operating results on sales		
$\frac{\text{Operating Results}}{\text{Revenues}}$	0,35%	(9,32%)
2. Return on Equity (ROE):		
$\frac{\text{Profit/(Loss) after tax}}{\text{Equity}}$	0,33%	(43,64%)

## II. SIGNIFICANTS EVENTS

During the financial year 2019, the Company, achieved significant brand awareness through the provision of ticketing services. This boosted the Company's commercial activity, facilitating the deployment of multiple POS terminals (Card Transaction Terminals) on behalf of the Group and gaining market expertise. In September 2019 the Company came into a significant agreement with a large European distributor, in order to meet the increased demand for POS terminals and accessories to the EU countries, where Viva Payments operates. Moreover, during 2019, Viva Services has successfully implemented and migrated to new ERP Microsoft Dynamics to support its daily operations.

As part of the successful Series C financing by International Investors with a total funding of € 60 million to parent company Viva Wallet Holdings, a share capital of total € 2 million has been injected to Viva Services in December 2019. The finalization of the share capital increase according to Greek Corporate Law took place within January 2020.

### III. PROJECTED COURSE

The Company will continue the implementation of its development plan as follows:

#### **New investments and products**

The Company will continue improvements on its ticketing platform in 2020 by upgrading the underlying technology in order to better provide services to new traders, both domestic and international (concerts, theaters, sports events).

The Company will continue to implement its plan to dynamically develop new products and types of POS systems in order to meet increasing demands of new merchants and new markets via Viva Payments SA expansion. This will expand the Company's clientele.

The outbreak of COVID-19 is likely to put Greece in recession. The duration and the intense of the slowdown of the Europe economy cannot be predicted with reasonable assurance, as current crisis in unprecedented and there is no ground for any estimations.

Given the exposure of Viva Services, it is expected that the Coronavirus epidemic in the Greek economy will have a severe effect on the Company's growth and on the financial results of FY2020 and will possibly cause delays in the implementation of its strategy. Viva Services serves clients and producers across the country which have already been severely affected by social distancing which dictates the prohibition of mass scale events, the elimination of transport and the mass lock-downs in Greece, which have brought a complete halt to its economy.

The Company has established and continues with weekly updates of a Business Continuity Plan focused to both protect the health of its employees and to continue to serve clients uninterrupted. Certain initiatives were taken to minimize risks, reduce costs and to take advantage of the subsidies offered in Greece, like remote working process for all employees, re - assessment of certain agreements with creditors and leverage all available state aid.

The Company's Management is assessing the conditions continuously, so as to try to mitigate all risks and shift the next years strategy in line to the prevailing conditions. The Company possess the adequate funds and determination to overcome this difficulty.

### IV. SIGNIFICANT EVENTS BETWEEN THE 31 OF DECEMBER 2019 AND THE PREPARATION DATE OF THIS REPORT

The share capital increase of € 2.000.010 was finalized according to Corporate Law 4548/2018 on 28 January 2020.

The COVID-19 outbreak, and most importantly, the rapid spread of the epidemic globally, is now expected to adversely affect economic activity worldwide, with the Greek economy facing significant challenges taking into account the important role of the tourism and transportation sectors which have adjust their productivity to minimum levels if not ceased. The evolution of the disease and its economic impact remains highly uncertain. Against this backdrop of ongoing downward revisions of growth forecasts for the global economy and the euro area, in conjunction with Greece's high dependency on inbound tourism, Greek GDP growth is expected to substantially deviate from the official scenario in 2020.

For accounting purposes, COVID 19 outbreak is considered as a non – adjusting event. Depending on how the situation develops and the duration of the disruption, we expect revenue reductions due to lower transaction volumes while there is the potential the associated economic slowdown to impact our expected credit losses and as a consequence our EBITDA and liquidity position. While our economic scenarios used to calculate a range of

outcomes, the potential economic impact of the COVID 19 was not considered at the year – end due to the limited information and emergent nature of the outbreak in Greece which occurred in February 2020.

The Company's priority is always the well-being of our stakeholders. Therefore, we have invoked our business continuity plans to help ensure the safety and well-being of our staff, as well as our capability to support our customers and maintain our business operations.

There were no other significant events after 31 December 2019, which affect the Financial Statements.

## **V. RISKS & UNCERTAINTIES FOR THE NEXT FINANCIAL YEAR**

The Company, through its business activities, is exposed to a range of financial risks that the Company's management, through existing strategies and procedures continuously assess to ensure that all necessary and possible measures and actions are taken to minimize any negative effect. Also, competitors' actions shall likely have a negative impact on the Company's results, especially when reduced prices due to competition are not offset by reduced costs from increased operational productivity.

Furthermore, economic environment uncertainty along with changing government regulations on corporate taxation and labour law, may affect the Company's financial results. The return of domestic economic stability greatly depends on the actions taken and decisions made by both domestic and international institutions, as well as on the assessment of the Greek economy by international creditors in the context of fiscal adjustment programs.

Finally, the aforementioned risk arisen by COVID-19 is expected to have impact on the domestic demand for ticketing and transportation services and any negative economic pressures to the Greek economy would affect the Company's ongoing operations. To mitigate these risks and uncertainties, Management continually monitors and adjusts to the economic and regulatory climate to ensure that all necessary actions are taken in order to continue normal operations.

### **Foreign Exchange Risk**

The Company's financial position and operating cash flows are not sensitive to fluctuations in exchange rates as the Company mainly transacts in Euro (€).

### **Credit Risk**

Credit risk refers to the probability that a counterparty shall cause financial loss to the Company due to a breach of its contractual obligations. The Company maintains adequate customer dispersion and is thus not dependent on individual customers, largely mitigating credit risks. Introducing prepaid services into the business would further decrease the Company's credit risk exposure.

### **Liquidity risk**

Liquidity risk refers to the situation when the Company is unable to meet its financial obligations. To manage the liquidity risk, the Company budgets and regularly monitors its cash flows. The Company maintains high creditworthiness with respect to cooperating banks and further maintains high levels of liquidity from its daily transactions. Consequently, the Company does not have any difficulty in fulfilling its financial obligations.

### **Borrowing and interest rate risk**

In the financial sector, the Company cooperates with Greek banks operating in Greece. In light of the Company's existing reciprocal partnerships with credit institutions, the currently approved credit limits, the current low interest rates and other contractual terms, no foreseen short-term risks which may adversely affect the normal operations of the Company exist.

The Company's bank borrowings as of 31 December 2019 amounted to € 2.000.000, of which € 1.750.000 were short-term and € 250.000 were long-term loans. The amount of bank borrowed funds has been raised in comparison to the previous financial year, in order to finance the operation needs of the Company.

The Company's borrowed funds are denominated in Euro (€) and therefore are not subject to significant interest rate risk. Bank borrowed funds maintain fixed rate structures and therefore do not expose the Company to risk from fluctuations of interest rates and of future cash flows.

## VI. PERSONNEL AND ENVIRONMENTAL ISSUES

Company management is comprised of experienced and competent executives, who have thorough knowledge of the Company and of market conditions, ensuring efficient operations and strategic development.

The relationships between the executives and staff are excellent and no major labor issues have been noted.

The Company recognizes the need for continuous improvement of environmental performance and operates in such a way as to ensure the protection of the environment and the health and safety of its employees through a modern and safe working environment.

## VII. TRANSACTIONS WITH RELATED PARTIES

All transactions from and with related parties are carried out under prevailing market terms. All significant related-party transactions, as defined by IAS 24, are fully disclosed in Note 7 of the Annual Financial Statements for the financial year ended 31 December 2019.

### Transactions and Balances with related parties

The closing balances of receivables and / or liabilities at year end, as well as, the aggregate amounts of sales and purchases from the beginning of the year, which have resulted from transactions with related parties, are as follows:

Amounts in €	31/12/2019	31/12/2018
<b>Receivables</b>		
VIVA PAYMENTS S.A (Group Subsidiary)	765.364	-
VIVA WALLET LTD (Group Subsidiary)	385.857	-
Other related parties	61.239	61.239
Board members	17.930	2.587
<b>Total</b>	<b>1.230.390</b>	<b>63.826</b>

Amounts in €	31/12/2019	31/12/2018
<b>Liabilities</b>		
VIVA PAYMENTS S.A (Group Subsidiary)	968.959	3.116.426
VIVA WALLET S.A (Parent Company)	1.022.678	409.457
VIVA WALLET LTD (Group Subsidiary)	18.324	-
<b>Total</b>	<b>2.009.961</b>	<b>3.525.883</b>

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
<b>Sales</b>		
VIVA PAYMENTS S.A (Group Subsidiary)	2.278.685	318.105
VIVA WALLET LTD (Group Subsidiary)	385.857	-
<b>Total</b>	<b>2.664.542</b>	<b>318.105</b>

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
<b>Purchases - Cost of Sales</b>		
VIVA PAYMENTS S.A (Group Subsidiary)	810.641	720.388
VIVA WALLET S.A (Parent Company)	479.200	319.200
VIVA WALLET LTD (Group Subsidiary)	292.977	-
<b>Total</b>	<b>1.582.818</b>	<b>1.039.588</b>

## VIII. OTHER INFORMATION

### Share capital structure - Treasury shares

The share capital of the Company consists of 116.668 ordinary shares, each of nominal value € 30,00. All issued shares have been paid in full, provide the same rights to receive dividends and to capital refund. Each share represents one vote at the Company's General Shareholders' Meeting.

There are no Company shares with special control rights. In addition, the Company's Articles of Incorporation do not provide for any restrictions on voting rights.

The Company does not own treasury shares.

The Shareholders General Meeting held on 11 December 2019 decided a share capital increase of € 2.000.010. The capital injection was realized on the 18 of December 2019 and has been certified within January 2020.

### Research and development activities

There are no Research and Development activities.

### Litigation cases

There are no litigation or court decisions that are expected to have a significant impact on the financial position or operations of the Company.

### Branches

There are no branches.

### Financial instruments

The financial instruments, which the Company uses, consist mainly of deposits in banks, bank's accounts, accounts receivables / payables and long term borrowings

## IX. DIVIDEND POLICY

The Board of Directors proposes to the Annual General Meeting of Shareholders not to distribute any dividends for 2019.

Dear Shareholders,

Following the above, detailed and substantiated report on the Company's proceedings, and after we thank you for your trust in the Company, the Board of Directors and I personally approve the statutory Financial Statements that are comprised of the Statement of Financial Position as of 31 December 2019, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes of the annual financial statements.

Marousi Attikis , 10/04/2020  
The President & Chief  
Executive Officer

Haralampos Karonis

The above annual financial report from the Board of Directors to the General Assembly, consisting of 6 pages, is the one mentioned in the audit report issued on 10/04/2020.



# **VIVA ONLINE SERVICES S.A.**

## **ANNUAL FINANCIAL STATEMENTS**

**for the year from  
1 January 2019 to 31 December 2019  
in accordance with  
International Financial Reporting Standards (I.F.R.S.)**

These financial statements were approved by the Board of Directors of VIVA ONLINE SERVICES S.A on 10/04/2020

Registered Offices  
Reg. Num

18-20 Amarousiou Ave., 15125 Marousi Greece  
006549001000

Marousi, 10/04/2020

President & Chief  
Executive Officer

Member

Chief Financial  
Officer

Haralampos  
Karonis

ID AM 207833

Gerasimos  
Antypas

ID X 188444

Dimitrios  
Kontoulis  
ID AB 597533  
A.M.A 100209  
A CLASS

**Statement of Financial Position  
as at 31 December 2019**

Amounts in €	Note	31/12/2019	31/12/2018
<b>Assets</b>			
<b>Non-current assets</b>			
Property plant & equipment	5.1	1.002.974	1.367.107
Intangible assets	5.2	466.467	824.093
Deferred tax assets	5.3	555.579	485.210
Right-of-Use Assets	5.4	43.951	-
Other non-current assets	5.5	15.854	17.629
<b>Total Non- Current Assets</b>		<b>2.084.825</b>	<b>2.694.039</b>
<b>Current assets</b>			
Inventories	5.6	2.176.138	1.448.077
Trade and other receivables	5.7	2.411.056	1.379.030
Prepayments	5.8	2.174.694	1.693.543
Receivables from taxes	5.9	19.775	30.702
Other current receivables	5.10	314.306	445.073
Cash and cash equivalents	5.11	306.019	456.477
<b>Total Current Assets</b>		<b>7.401.987</b>	<b>5.452.901</b>
<b>Total assets</b>		<b>9.486.812</b>	<b>8.146.940</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share Capital	5.12	3.500.040	3.500.040
Share Capital proceeds in progress	5.12	2.000.010	-
Capital reserves	5.13	(6.004)	(6.004)
Reserves from actuarial differences	-	41.755	49.097
Retained earnings	5.14	(1.825.579)	(1.837.997)
<b>Total Equity</b>		<b>3.710.222</b>	<b>1.705.136</b>
<b>Long term Liabilities and Provisions</b>			
Long term debt	5.15	250.000	500.000
Long term leasing liabilities	5.4	27.691	-
Retirement benefit obligation	5.16	17.733	4.669
Other provisions	5.17	-	6.552
<b>Total Non-Current Liabilities</b>		<b>295.424</b>	<b>511.221</b>
<b>Short term Liabilities</b>			
Trade and other payables	5.18	2.831.502	1.780.442
Short term debt	5.15	1.750.000	250.000
Current portion of long term leasing liabilities	5.4	17.342	-
Liabilities from taxes	5.19	147.608	9.891
Other short term liabilities	5.20	734.714	3.890.249
<b>Total Current Liabilities</b>		<b>5.481.166</b>	<b>5.930.583</b>
<b>Total Liabilities</b>		<b>5.776.590</b>	<b>6.441.804</b>
<b>Total Equity and Liabilities</b>		<b>9.486.812</b>	<b>8.146.940</b>

**Statement of Comprehensive Income  
for the year ended 31 December 2019**

Amounts in €	Note	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Revenues	5.21	8.581.962	6.297.099
<b>Total revenues</b>		<b>8.581.962</b>	<b>6.297.099</b>
Changes in inventories	5.22	(3.674.487)	(1.489.739)
Payroll and related expenses	5.22	(187.830)	(130.614)
General, selling and administrative expenses	5.22	(3.941.522)	(4.460.376)
Depreciation / Amortization	5.22	(747.730)	(803.379)
<b>Total expenses</b>		<b>(8.551.569)</b>	<b>(6.884.108)</b>
<b>Operating results</b>		<b>30.393</b>	<b>(587.009)</b>
<b>Earnings before tax, interest depreciation and amortization (EBITDA)</b>		<b>778.123</b>	<b>216.370</b>
Finance income	5.23	14	68
Finance expense	5.23	(86.039)	(157.169)
<b>Profit/(Loss) before tax</b>		<b>(55.632)</b>	<b>(744.110)</b>
Income Tax	5.24	68.050	66.615
<b>Profit/(Loss) after tax</b>		<b>12.418</b>	<b>(677.495)</b>
<b>Other comprehensive income</b>			
Actuarial profit/(loss)		(9.661)	3.158
Deferred tax on actuarial (gains) / losses		2.319	(790)
<b>Other comprehensive income for the period after taxes</b>		<b>(7.342)</b>	<b>2.369</b>
<b>Total comprehensive income / (loss) after taxes</b>		<b>5.076</b>	<b>(675.126)</b>
<b>Earnings / (losses) per share</b>	5.25	<b>0,11</b>	<b>(5,81)</b>

## Cash Flow Statement for the year ended 31 December 2019

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
<b>Profit/(Loss) before tax</b>	<b>(55.632)</b>	<b>(744.110)</b>
<b>Adjustment for reconciliation of net cash flows from operating activities:</b>		
Amortization/ Depreciation of intangible and tangible assets	747.730	803.379
Provisions	84.017	33.447
Interest income	(14)	(68)
Interest expense	86.039	157.169
<b>Operating results before changes in working capital</b>	<b>862.140</b>	<b>249.817</b>
<b>(Increase)/Decrease in :</b>		
Inventories	(728.062)	189.125
Trade and other receivables	(1.032.025)	(91.004)
Advances and other receivables	(416.962)	(122.464)
Other non-current assets	1.775	(17.629)
<b>(Increase)/Decrease in :</b>		
Suppliers	1.051.060	326.964
Accrual and other short-term liabilities	(3.027.480)	3.394.022
<b>Cash inflows from operating activities</b>	<b>(3.289.554)</b>	<b>3.928.832</b>
Interest and related expenses paid	(86.039)	(157.169)
<b>Net cash inflows from operating activities</b>	<b>(3.375.593)</b>	<b>3.771.663</b>
Purchases of tangible and intangible assets	(8.391)	(657.677)
Interest proceeds and similar income	14	68
<b>Net cash flows from investment activities</b>	<b>(8.377)</b>	<b>(657.609)</b>
Share Capital proceeds in progress	2.000.010	-
Change in long-term borrowing	(250.000)	(868.062)
Change in short-term borrowing	1.500.000	(2.211.012)
Value impairments / (recovering impairments) of trade receivables	-	(300.006)
Repayments of finance lease liabilities	(16.498)	-
<b>Net cash flows from financing activities</b>	<b>3.233.512</b>	<b>(3.379.080)</b>
<b>Net increase in cash</b>	<b>(150.458)</b>	<b>(265.026)</b>
Cash at beginning of the period	456.477	721.503
<b>Cash at the end of the period</b>	<b>306.019</b>	<b>456.477</b>

**Statement of Changes in Equity  
for the year ended 31 December 2019**

<i>Amounts in €</i>	Share Capital	Share capital proceeds in progress	Capital reserves	Reserves from actuarial differences	Retained earnings	Total Equity
<b>Balance at 01/01/2018</b>	3.500.040	-	(6.004)	46.729	(935.498)	2.605.267
Profit/ (Loss) for the period 1/1/2018 - 31/12/2018	-	-	-	-	(677.495)	(677.495)
Other comprehensive income for the period 1/1/2018 - 31/12/2018	-	-	-	3.158	-	3.158
Tax recognized in Equity	-	-	-	(790)	-	(790)
<b>Total comprehensive income 1/1/2018 - 31/12/2018</b>	-	-	-	2.369	(677.495)	(675.126)
<b>Other changes in equity for the period 1/1/2018 - 31/12/2018</b>						
Other adjustments	-	-	-	-	(225.004)	(225.004)
<b>Total</b>	-	-	-	-	(225.004)	(225.004)
<b>Total changes in Equity</b>	-	-	-	2.369	(902.499)	(900.131)
<b>Balance at 31/12/2018</b>	3.500.040	-	(6.004)	49.097	(1.837.997)	1.705.136
Profit/ (Loss) for the period 1/1/2019 - 31/12/2019	-	-	-	-	12.418	12.418
Other comprehensive income for the period 1/1/2019 - 31/12/2019	-	-	-	(9.661)	-	(9.661)
Tax recognized in Equity	-	-	-	2.319	-	2.319
<b>Total comprehensive income 1/1/2019 - 31/12/2019</b>	-	-	-	(7.342)	12.418	5.076
<b>Other changes in equity for the period 1/1/2019 - 31/12/2019</b>						
Other adjustments	-	2.000.010	-	-	-	2.000.010
<b>Total</b>	-	2.000.010	-	-	-	2.000.010
<b>Total changes in Equity</b>	-	2.000.010	-	(7.342)	12.418	2.005.086
<b>Balance at 31/12/2019</b>	3.500.040	2.000.010	(6.004)	41.755	(1.825.579)	3.710.222

The attached notes on pages 17 to 48 are an integral part of these financial statements.

## 1. General Information

### 1.1 The Company

The Company “**VIVA ONLINE SERVICES S.A**”, with the distinctive title “**VIVA SERVICES**” (the Company), is registered in Greece as a Societe Anonyme Company according to the provisions of Company Law 4548/2018, with headquarters in Marousi, 18-20 Amaroussiou - Chalandriou street, 15125.

The Company was incorporated in 2005 with the aim of providing innovative Telecommunication and OnLine services to businesses and consumers (B2B & B2C). The Company is 100% owned by Viva Wallet Holdings S.A.

### 1.2 Activities

The Company’s main activities are, as follows:

- POS terminals sales and Viva Wallet debit cards (Viva Wallet Card) for transactions
- Show ticket (theatre, concerts, etc.) and sporting event ticket (football, basketball games etc.) issuing
- Travel Services (reservation and sale of ferry and air tickets, train tickets, bus tickets, taxi services)
- VoIP Telephony Services and specific IN Services (Intelligent Network Services)

For the provision of Phone services, the Company is licensed, by the Hellenic Telecommunications & Post Commission – EETT (The Greek Telecom Regulatory Authority) as a Telecommunication Services Provider.

As for the travel services which the Company provides primarily as an on-line travel agency ([www.viva.gr](http://www.viva.gr)), VIVA records a positive growth particularly in the sale of transportation tickets as well as in the sale of show tickets. The Company has a Travel Agent license from the GNTO and is a member of IATA.

## 2. Framework for the preparation of the Financial Statements

### 2.1 Compliance with the IFRS

The financial statements of **VIVA ONLINE SERVICES S.A.** have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as endorsed by the European Union (EU).

### 2.2 Basis of preparation of the Financial Statements

The financial statements of **VIVA ONLINE SERVICES S.A.** have been prepared on the basis of the going concern principle and historical cost convention.

### 2.3 Approval of the Financial Statements

The present annual financial statements have been approved by the Company's Board of Directors on 10/04/2020 and are subject to the approval of the Annual General Meeting of the shareholders.

### 2.4 Covered Period

The present financial statements of **VIVA ONLINE SERVICES S.A.** cover the period from 1 January 2019 to 31 December 2019.

### 2.5 Presentation of the Financial Statements

The financial statements are presented in €, which is the functional currency of the Company, namely the currency of the primary economic environment in which the Company operates. All amounts are in Euro (€), unless otherwise explicitly indicated. Any differences in totals are due to rounding.

### 2.6 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2019. The Company's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

#### **Standards and Interpretations effective for the current financial year**

##### **IFRS 16 "Leases"**

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The impact of IFRS 16 is analyzed on the Note 2.7.

### **IAS 28 (Amendments) “Long term interests in associates and joint ventures”**

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9. The amendment had no impact on the financial statements of the company.

### **IAS 19 (Amendments) “Plan amendment, curtailment or settlement”**

In February 2018 the IASB issued amendments in IAS 19 “Employee benefits” that require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IAS 19 did not specify how to determine these expenses for the period after the change to the plan.

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.

### **IFRIC 23 “Uncertainty over income tax treatments”**

The interpretation explains how to recognize and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

### **IFRS 9 (Amendments) “Prepayment Features with Negative Compensation”**

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortized cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.

The Company is currently assessing the impact of the amendment.

### **Annual Improvements to IFRS (2015 – 2017 Cycle)**

IASB in its annual improvement program, published in December 2017 a Cycle of narrow-scope amendments to existing Standards.

These amendments do not significantly affect the Company’s financial statements.

### **IFRS 3 “Business Combinations”**

The amendment clarifies that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

### **IFRS 11 “Joint Arrangements”**

The amendment clarifies that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

### **IAS 12 “Income Taxes”**

The amendment clarifies that a company accounts for all income tax consequences of dividend payments in the same way.

### **IAS 23 “Borrowing Costs”**

The amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

### **Standards and Interpretations effective for subsequent periods**

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1 January 2020 and have not been adopted from the Company earlier.

#### **IAS 1 and IAS 8 (Amendments) “Definition of a material”**

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.

The amendments have not yet been endorsed by the EU.

#### **IFRS 3 (Amendments) “Definition of a business”**

The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.

The amendments have not yet been endorsed by the EU.

#### **IFRS 17 “Insurance Contracts” (effective for annual periods beginning on or after 1 January 2021)**

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.

The new standard has not yet been endorsed by the EU.

## **2.7 Changes in accounting policies**

The Company applies, for the first time, IFRS 16 “Leases”, which replaces IAS 17 and sets out the recognition, measurement, presentation and disclosure of leases. This standard is mandatory for reporting periods beginning on or after 1 January 2019. IFRS 16 has a material effect on the Company’s financial statements, particularly on total assets and liabilities, the results of operations, net cash flows from operating activities, net cash flows used in financing activities, and the presentation of the financial position.

The new regulations affect the Company and the Company as a lessee especially in relation to leases of buildings (used as offices).

The Company has not applied the new lease standard retrospectively in full, but has applied IFRS 16 using the modified retrospective method. Under this method, prior year comparatives have not been restated. Upon transition to IFRS 16, there were not any payment obligations from existing operating leases. The right-of-use assets were carried as of 1 January 2019 in the amount of the lease liability, adjusted by the amount of the prepaid or accrued lease payments.

Significant policy elections and practical expedients are exercised as follows:

- The right-of-use assets and lease liabilities are presented separately in the statement of financial position.
- The recognition, measurement and disclosure requirements of IFRS 16 also apply to short-term leases and leases of low-value assets.

- The Company elected not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease items as a single lease component.

In addition, in relation to the first-time adoption of IFRS 16, the Company made use of the main policy elections and practical expedients, as follows:

- In determining the lease term, hindsight has been used where economic considerations and penalties indicate that it is reasonably certain that options to extend or terminate the lease will be exercised.
- The Company elected to apply the new lease definition to contracts entered into (or changed) on or after 1 January 2019, as there were not existing contracts at the date of initial application.

In relation to the Company as a lessor, the new definition of a lease does not have a material impact.

The impact of adopting IFRS 16 on the Company's statements of financial position as at 1 January 2019 increased the company's assets through "Right of Use Assets" by € 43.951 and liabilities through "Long term leasing liabilities" and "Current portion of long term liabilities" by € 27.691 and € 17.342 respectively.

### 3. Critical accounting estimates and judgments

The preparation of the financial statements in accordance with the International Financial Reporting Standards requires estimates and management judgements, which may affect the application of the accounting policies and the amounts included in the financial statements.

Estimates and judgements are continuously evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### 3.1 Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

#### 3.2 Recoverability of deferred tax assets

Deferred tax assets include certain amounts which relate to carried forward tax losses. In most cases, depending on the jurisdiction in which such tax losses have arisen, such tax losses are available for set off for a limited period of time since they are incurred. The Company makes assumptions on whether these deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for relevant entity.

#### 3.3 Estimation of the useful life and residual value of tangible assets

Judgment is required in determining the useful life and the residual value of tangible assets. The estimation of the useful life of an asset is a matter of judgment based on the experience of the Company's management of similar assets. The residual value and the useful life of an asset are reviewed at least annually, taking into account new facts and prevailing market conditions.

#### 3.4 Provision for impairment of receivables

Management evaluates the estimated allowance based on specific reviews of customer balances taking into account its experience with collection trends in the market, the current economic conditions and also the securities and collaterals obtained from specific customers. The Company regularly reassesses the allowance for doubtful accounts receivable in conjunction with the customer's commercial behavior taking into consideration reports from its legal department. Estimates are involved of amounts expected to be recovered in the case of defaulted customers taking into account any settlement arrangements, whether the customer is repaying agreed instalments, and expected recoveries from any collaterals held.

### 3.5 Post-employment benefits

Post-employment benefits are calculated at the discounted present value of future compensation benefits of employees which will have been accrued at year-end based on the assumption that those benefits are accrued equally during the employment period. Post-employment benefits are calculated on the basis of financial and actuarial assumptions that require management to make assumptions about discount rates, salaries increase rates, mortality and disability rates, retirement age and other factors. Due to the long term nature of these projections, these assumptions are subject to considerable uncertainty.

### 3.6 Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, they use the Group's incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## 4. Summary of significant accounting policies

The significant accounting policies that have been adopted by the Company for the preparation of financial statements are summarized below:

### 4.1 Intangible assets

#### Software

The software licenses (internally and externally acquiring) evaluated on the basis of cost less the accumulated amortizations.

In the current year no internally developed software was recognized.

The costs associated with maintenance of computer software costs are recognized in the period in which they occur.

The costs capitalized, are amortized on a straight-line method over the estimated useful lives (five to ten years). In addition, the acquired software is reviewed for impairment annually.

### 4.2 Property, Plant and Equipment

Fixed assets are reported in the financial statements at acquisition cost minus accumulated depreciation and possible impairment. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The repair and maintenance cost is recorded in the results when such is incurred.

Land is not depreciated. Depreciation of other of tangible assets is calculated using the straight line method over their useful life as follows:

- Facilities in the property of third parties, the purchase price, to the years of leasing or the years of their useful life (if less than the year lease)
- Computers and general Hardware (H/Y, screens, cameras, scanners etc.), 5 years
- Furniture and other equipment, 5 – 10 years

- For other tangible assets, the depreciation rates set out in the tax legislation were considered adequate

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other (losses)/gains – net" in the Statement of Comprehensive Income.

### 4.3 Financial assets

#### A) Initial Recognition

A financial asset is recognized in the statement of financial position of the Company when the Company becomes part of the contractual terms of the instrument.

#### B) Initial Measurement

The Company measures financial assets at initial recognition at fair value plus / minus transaction costs, associated with the acquisition of financial assets, respectively (other than financial assets and liabilities in FVPL).

The Company initially recognizes the trade receivables where no significant part of the finance is included in their transaction price.

#### Classification and Measurement of financial assets

##### i) Commercial claims and Debt securities

All financial assets that are within the scope of IFRS 9 are measured after their initial recognition at amortized cost or at fair value. The basis for their measurement depends both on the Company's business model for the management of its financial assets and on the characteristics of their contractual cash flows. The Company's assessment of its business model is determined at the portfolio level, reflecting how groups of financial assets held in the same portfolio are managed together to achieve the Company's business objective instead of each individual asset.

Cash-generating financial assets, consisting exclusively of capital and interest payments, are classified by taking into account the business model of holding these instruments. Financial assets held under a business model for the purpose of holding them to maturity and collecting the contractual cash flows are measured at amortized cost. If the business model is intended to hold the financial assets in order to collect the contractual cash flows but is expected to be sold when necessary (e.g. to meet a specific liquidity need), then these instruments are measured at FVOCI. Financial assets held in a business model other than the above are measured at FVPL.

The company has a business model in which it manages the financial assets, which reflects the way the Company manages them to generate cash flows.

Specifically, the Company's financial assets are held within a business model that is intended to hold the financial assets for the collection of the contractual cash flows. According to this, the financial assets of the Company are held until their maturity and their contractual cash flows are collected.

The Company, for the purpose of assessing whether the cash flows will be realized by collecting the corresponding payments during the life of the financial asset, examines the frequency, value and timing of sales of previous periods, the ratio of such sales and expectations of the Company regarding future sales.

In addition to the above, the Company examines all relevant information to evaluate the business model.

Upon initial recognition of a financial asset, the Company determines whether it is part of the existing business model or whether it represents a new business model.

The Company re-evaluates the business model in each reporting period to determine whether the business model has changed since the previous reporting period. For the current reporting periods of the current year, the Company has not identified any change in its business model

## ii) Shares

Financial instruments that meet the definition of shares, as provided by IAS 32, are measured subsequent to initial recognition in the FVPL. The Company may irrevocably choose to disclose fair value changes in other comprehensive income provided that the shares are not held for trading and are not a consideration recognized by the Company in a business combination to which IFRS 3 applies.

The Company makes the above irrevocable option individually for each asset that meets the definition of a share in accordance with IAS 32.

## iii) Reclassifications

If the business model under which the Company holds its financial assets changes due to external or internal changes that are considered material to the Company's business and is demonstrably reclassified to all the financial assets that have been affected. Reclassification is applied prospectively to the reclassification date, which is the first day of the first quarterly reporting period after the business model change. Reclassifications are expected to be very rare. Investments in shares in respect of which the Company has irrevocably selected the FVOCI and any financial asset identified in the FVPL at initial recognition cannot be reclassified as their determination at the initial recognition is irrevocable.

## iv) Measurement of impairment of financial assets

The Company measures the provision for impairment of receivables from customers as an estimate of the present value of cash flow lags over the life of receivables from customers. Cash flow hazards are the difference between the cash flows attributable to the Company as conventionally stated and the cash flows that the Company expects to receive.

The Company adopted IFRS 9 Financial Instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement, and changes the requirements for the impairment of the Company's financial assets.

The Company applied the standard retrospectively without restatement of the comparative information for prior years, on 1 January 2018.

The Company has applied the simplified approach in paragraph 5.5.15 of IFRS. 9 for the impairment of the expected credit losses on balances of trade and other receivables at the date of initial application.

The Company recognized three categories of trade receivables:

- **Common Clients:** Customers with whom the Company has cooperation according common trade term agreement,
- **Bartering Clients:** Collaborations with clients which include both sales and purchase agreement equally amounted throughout the contracted duration and eventually is being offset,
- **Bad debt:** Customers with uncollected amounts more than a year.

## 4.4 Financial liabilities

Financial liabilities are classified either as financial liabilities in the FVPL or as other financial liabilities (i.e. amortized cost). The Company has not assigned any of its financial obligations to FVPL.

## A) Financial liabilities (excluding loans)

The Company's financial liabilities (excluding loans) reflected on the balance sheet, the item "Long term financial liabilities" and the item "Other trading liabilities."

Financial liabilities are recognized when the Company is involved in a contractual agreement of the instrument and are derecognized when the Company is exempted from or is canceled or expires.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

Gains and losses are recognized in the income statement when the liabilities are derecognized as well as the implementation of the effective interest method.

Dividends to shareholders are recognized in the item "Other current financial liabilities", when they are approved by the General Assembly.

## B) Loans

The bank loans provide long-term financing of the operations of the Company. All loans are initially recognized at cost being the fair value of consideration received, excluding direct costs of issue.

After initial recognition, borrowings are measured at amortized cost using the effective interest rate method and any difference is recognized in the income statement, during the duration of the borrowings.

## C) Ordinary shares

The share capital issued by the company is identified as the product of recovery reduced the direct costs of issue, after the calculation of income tax attributable to them. When the Company acquires its own equity securities, those securities (the "treasury shares") are deducted from equity. During the purchase, sale, issue or cancellation of own equity instruments of the entity, no gain or loss is recognized in the income statement.

## 4.5 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Accounting by lessee

The Company applies a single recognition and measurement approach for all leases (including short-term leases and leases of low-value assets). The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### i) Right-of-use assets

The Company recognize right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset is transferred to the Company at the end of the lease term or its cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Company has lease contracts for buildings (used as offices). The lease contracts may contain both lease and non-lease components. The Company has elected not to separate non-lease components from lease components, and instead to account for each lease component and any associated non-lease components as a single combined lease component.

The right-of-use assets are also subject to impairment, as described in the accounting policy Impairment of Non - Financial Assets

## **ii) Lease liabilities**

At the commencement date of the lease, the Company recognize lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company use the Company's incremental borrowing rate (5%) because the interest rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced through the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a reassessment or modification of the lease contract.

## **Accounting by lessor**

Leases in which the lessor does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income on operating leases is recognized over the term of the lease on a straight-line basis.

A lease that transfers substantially all of the risks and rewards incidental to ownership of the leased item is classified as finance lease.

The lessor in a finance lease derecognizes the leased asset and recognizes a receivable in the amount of the net investment in the lease. The lease receivable is discounted using the effective interest method and the carrying amount is adjusted accordingly. Lease receivable is increased to reflect the accretion of interest and reduced through the lease proceeds made.

## **Subleases**

When the Company is the intermediate lessor in a sublease agreement it classifies the sublease as finance lease or operating lease by reference to the right-of-use asset arising from the head lease and account for the head lease and the sublease as two different contracts. When the sublease is classified as finance lease, the right-of-use asset related to the head lease is derecognized and a lease receivable is recognized.

## **4.6 Inventories**

Inventories are stated at the lower of acquisition cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished and semi-finished inventories includes cost of design, raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion.

Provision for slow-moving or obsolete inventories is formed when necessary.

#### 4.7 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the Statement of Comprehensive Income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is computed based on the tax legislation established as of the Financial Statement Position date, in accordance with the tax rules in force in Greece. Current income tax expense consists of income taxes for the current year based on entity's profits as adjusted in its tax returns and additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the Financial Statement Position date and are expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

#### 4.8 Employee benefits

##### a) Post-employment benefits

The employee benefits after their retirement include defined contribution programs and defined benefit programs. A defined contribution scheme is a pension plan under which the Company makes fixed payments to a separate legal entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The regular contributions for defined contribution plans constitute net periodic costs for the year in which they are due and as such are included in staff costs.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability that is reported in the Financial Statement Position with respect to defined benefit schemes is the present value of the liability for the defined benefit on the Financial Statement Position date. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by using the rate of long-term Greek government bonds, however, because of current economic conditions the yield curve of the European Central Bank bonds was used instead of Greek government bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

##### b) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date. The Company recognizes termination benefits when it is demonstrably committed to either: terminating the

employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after Financial Statement Position date are discounted to present value.

Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the Company discloses information about the contingent liability.

#### **4.9 Provisions**

Provisions are recognized when: The Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as financial expense. Provisions are reviewed on each date of financial statements and if an outflow of funds to settle the obligation is unlikely, they are reversed in the Statement of Comprehensive Income.

When the Company expects the recovery of a compensation to settle a provision, for instance under an insurance contract, the reimbursement is recognized as a separate asset only when it is virtually certain.

#### **4.10 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods or services supplied, stated net of discounts, returns and value added taxes.

The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

##### **a) Sales of goods**

Revenue from the sale of goods is recognized when control of the good is transferred to the customer, usually upon delivery and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The main products of Company are POS Machines, Debit Cards, VoIP devices and talk time renewal codes (mobile cards) for cell phones.

Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts at the time of sale. Accumulated experience is used to estimate and provide for the discounts, which are assessed based on anticipated annual purchases.

##### **b) Interest income**

Interest income is recognized on an accrual basis using the effective interest method. When a receivable is impaired, the Company reduced the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

##### **c) Sales of services**

Sales of services are recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific service.

In the case where the Company acts as an agent, the commission rather than gross revenue is recognized as revenue.

##### **d) Dividends**

Dividends are recognized as income when the payment is accrued.

## 5. Notes on the Financial Statement Position and the Statement of Comprehensive Income

### 5.1 Property, plant and equipment

Amounts in €	POS Terminals	Furniture & other equipment	Total
Acquisition cost on 1/1/2018	953.470	586.341	1.539.812
Minus: Accumulated depreciation	(92.962)	(310.031)	(402.992)
<b>Net book value on 1/1/2018</b>	<b>860.509</b>	<b>276.311</b>	<b>1.136.820</b>
Additions	410.406	161.299	571.704
Depreciation	(230.804)	(110.613)	(341.417)
Acquisition cost on 31/12/2018	1.363.876	747.640	2.111.516
Minus: Accumulated depreciation	(323.765)	(420.644)	(744.409)
<b>Net book value on 31/12/2018</b>	<b>1.040.111</b>	<b>326.996</b>	<b>1.367.107</b>
Additions	-	6.552	6.552
Depreciation	(247.084)	(123.601)	(370.685)
Acquisition cost on 31/12/2019	1.363.876	754.192	2.118.068
Minus: Accumulated depreciation	(570.849)	(544.245)	(1.115.094)
<b>Net book value on 31/12/2019</b>	<b>793.027</b>	<b>209.947</b>	<b>1.002.974</b>

The comparatives presented in the analysis of Property, plant and equipment have been reclassified for comparability purposes. The above reclassifications do not have an impact on equity and results.

Depreciation expenses are allocated in the Statement of Comprehensive Income.

The property, plant and equipment are free of pledges/collaterals.

### 5.2 Intangible Assets

Amounts in €	Software	Total
Acquisition cost on 1/1/2018	3.772.018	3.772.018
Minus: Accumulated amortization	(2.571.935)	(2.571.935)
<b>Net book value on 1/1/2018</b>	<b>1.200.083</b>	<b>1.200.083</b>
Additions	85.973	85.973
Amortization	(461.962)	(461.962)
Acquisition cost on 31/12/2018	3.857.991	3.857.991
Minus: Accumulated amortization	(3.033.898)	(3.033.898)
<b>Net book value on 31/12/2018</b>	<b>824.093</b>	<b>824.093</b>
Additions	1.839	1.839
Amortization	(359.465)	(359.465)
Acquisition cost on 31/12/2019	3.859.830	3.859.830
Minus: Accumulated amortization	(3.393.362)	(3.393.362)
<b>Net book value on 31/12/2019</b>	<b>466.467</b>	<b>466.467</b>

The Intangible Assets mainly concern software (e.g. ticketing platform etc.) used by the Company.

Amortization expenses are allocated in the Statement of Comprehensive Income.

### 5.3 Deferred tax asset

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

Amounts in €	31/12/2019		31/12/2018		31/12/2019	31/12/2018
	Receivables	Liabilities	Receivables	Liabilities	Income / (Expense)	Income / (Expense)
Tangible assets	4.868	-	-	-	4.868	-
Liabilities for employee compensation due to retirement	4.081	-	946	-	817	50
Impairment of receivables	273.535	-	187.109	-	86.427	50.893
Difference in tax rate	-	(67.760)	-	(43.700)	(24.061)	(43.700)
Recognition of tax loss	340.855	-	340.855	-	-	59.371
<b>Total</b>	<b>623.339</b>	<b>(67.760)</b>	<b>528.910</b>	<b>(43.700)</b>	<b>68.050</b>	<b>66.615</b>
<b>Deferred tax asset/ (liabilities)</b>	<b>555.579</b>	<b>-</b>	<b>485.210</b>	<b>-</b>		
<b>Tax to OCI</b>					<b>2.319</b>	<b>(790)</b>
<b>Tax to Comprehensive income</b>					<b>70.369</b>	<b>65.826</b>

The Company recognized deferred income tax assets of € 340.855 in respect of losses amounting to € 237.486 that can be carried forward against future taxable income.

Current tax liabilities include short-term liabilities payable to the tax authorities related to the above taxes payable (tax on assets for the Company). Management regularly evaluates its position on matters related to the tax authorities and considers provisions where necessary for the amounts expected to be paid to the tax authorities.

Up until 31 December 2019 the tax authorities have not notified for any audit mandate order of the Company for the fiscal years 2010, 2011 and 2012 and 2013. Therefore the right of relevant tax audits by Authorities for the aforementioned periods is considered as time-lapsed for the aforementioned, reported periods pursuant to (a) paragraph 1 of article 84 of law 2238/1994 (unaudited income tax cases); b) paragraph 1 of article 57 of Law 2859/2000 (non-audited cases of VAT and c) of par. 5 of article 9 of Law 2523/1997 (imposition of fines for income tax cases). Management considers that the circumstances on which the five-year limitation could be extended to ten years, are not met.

In addition, the Company has been audited by a certified auditor according to Law 4174/2013 article 65A and the POL no. 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance and has received a tax certificate for the years 2014, 2015, 2016, 2017 and 2018. The Company expect to receive the tax certificate for the year 2019. This year the Company has proceeded with the reversal of the amount € 6.552 for non-audited fiscal year due to the fact that the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-barred.

For the fiscal year 2018, the rate used for calculating income tax was 29% and deferred tax is 25%, namely the rate set by the current law on 31 December 2018. For the current fiscal year, deferred taxes were calculated with 24% rate based on the recently applying law 4646/2019 (article 22) on 31 December 2019.

## 5.4 Leases

Rights of use assets are analyzed as follows:

Amounts in €	Leasing Building	Total
<b>Initial Recognition 01/01/2019</b>	<b>61.531</b>	<b>61.531</b>
Annual depreciation	(17.580)	(17.580)
<b>Acquisition cost 31/12/2019</b>	<b>61.531</b>	<b>61.531</b>
<b>less: Accumulated depreciation</b>	<b>(17.580)</b>	<b>(17.580)</b>
<b>Net book value 31/12/2019</b>	<b>43.951</b>	<b>43.951</b>

The Company has come to lease agreement for buildings. Duration of these agreement is 3 years, while the imputed annual discount factor amounts to 5%.

The Company's depreciation includes depreciation charge for the right-of-use assets in relation to lease agreements to € 17.580.

The statement of financial position of 2019 includes the following amounts related to lease liabilities as long-term liabilities the amount of € 27.691 and as short-term the amount of € 17.342.

The Company's interest expense on lease liabilities amounts to € 2.702 and the Company's total cash outflows for leases in 2019 amount to € 16.498.

The effect of the IFRS 16 standard first adoption on the comprehensive income amounts to additional € 1.082 favorable for the Company

## 5.5 Other non-current assets

The analysis of Other non-current assets is as follows:

Amounts in €	31/12/2019	31/12/2018
Utilities guarantees	15.854	17.629
<b>Total</b>	<b>15.854</b>	<b>17.629</b>

## 5.6 Inventories

The Inventories are analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Inventory	2.176.138	1.448.077
<b>Total realisable value</b>	<b>2.176.138</b>	<b>1.448.077</b>
Provision for impairment	-	-
<b>Total net realisable value</b>	<b>2.176.138</b>	<b>1.448.077</b>

Company's inventories include:

Amounts in €	31/12/2019	31/12/2018
POS terminals	1.946.939	994.519
Debit cards	169.196	319.506
Top up cards	56.784	130.832
Voip devices	3.219	3.219
<b>Total</b>	<b>2.176.138</b>	<b>1.448.077</b>

The major portion of the Company's inventories consists of the POS terminals which the Company buys and resells to cooperating traders.

It is noted that inventories are valued at each Statement of Financial Position date at the lower of cost and net realizable value.

The cost of inventories recognized as an expense within "Cost of Sales" during the current and prior year for the Company was € 2.176.138 and € 1.448.077 respectively.

For the current and previous year no provision for impairment was required. In addition, there are no stocks that have been pledged to secure claims.

## 5.7 Trade and other receivables

The analysis of Trade and other receivables is as follows:

Amounts in €	31/12/2019	31/12/2018
Domestic Customers	2.083.927	1.943.264
Foreign Customers	1.173.967	-
<b>Total</b>	<b>3.257.894</b>	<b>1.943.264</b>
Provision for doubtful receivables	(846.839)	(564.233)
<b>Total</b>	<b>2.411.056</b>	<b>1.379.030</b>

The customers receivables do not constitute of interest-bearing items and are usually regulated from the course activities of the Company, in a short period of time.

For all the Company's receivables, an estimate of the probable impairment has been made. Some of the claims have been impaired. For these receivables, the Company has formed an additional provision for the fiscal year 2019, of the amount of € 282.605. The impaired receivables mainly relate to certain levels of aged balances that are considered to be irrecoverable.

The fair value of these short-term financial assets is not determined independently, as the carrying amount is considered to approximate their fair value.

The movement in the provision of impairment of Customers and other trade receivables is set out below.

Amounts in €	31/12/2019	31/12/2018
<b>Balance at the beginning of the year</b>	<b>564.233</b>	<b>106.655</b>
New provision	282.605	457.578
<b>Balance at the end of the year</b>	<b>846.839</b>	<b>564.233</b>

The movement in the provision for impairment has been included in the statement of comprehensive income.

For all trade receivables, an assessment for possible impairment has been undertaken upon relevant indications. Certain receivables have been impaired. The impaired receivables relate mainly to customers who face financial difficulties and their balances are estimated as non-recoverable.

The aging analysis of the receivables as well as the analysis of the provision for impairment based on the expected credit losses on the balances of trade and other receivables is as follows:

<b>Category A (Common Clients)</b>			
Amounts are expressed in € '	31/12/2019	Loss percentage	Loss amount
<b>Days</b>			
0-180	36.387	1,50%	(546)
180-360	11.922	40,00%	(4.769)
>360	688.907	100,00%	(688.907)
<b>Total receivables</b>	<b>737.216</b>		<b>(694.221)</b>

<b>Category B (Bartering Clients)</b>			
Amounts are expressed in € '	31/12/2019	Loss percentage	Loss amount
<b>Days</b>			
0-180	1.332.059	0,10%	(1.332)
180-360	383.707	5,00%	(19.185)
>360	312.958	10,00%	(31.296)
<b>Total receivables</b>	<b>2.028.725</b>		<b>(51.813)</b>

<b>Category C (Bad debt)</b>			
Amounts are expressed in € '	31/12/2019	Loss percentage	Loss amount
<b>Days</b>			
0-180	-	100,00%	-
180-360	523	100,00%	(523)
>360	100.281	100,00%	(100.281)
<b>Total receivables</b>	<b>100.804</b>		<b>(100.804)</b>

<b>Total</b>	<b>2.866.745</b>		<b>(846.839)</b>
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Impairment losses according to the new accounting policy 31/12/2018: (564.233)

**Impairment losses charged to profit and loss account for the period 1/1-31/12/2019: (282.605)**

<b>Category A (Common Clients)</b>			
Amounts are expressed in € '	31/12/2018	Loss percentage	Loss amount
<b>Days</b>			
0-180	211.440	1,50%	(3.172)
180-360	151.180	40,00%	(60.472)
>360	390.248	100,00%	(390.248)
<b>Total receivables</b>	<b>752.868</b>		<b>(453.891)</b>

<b>Category B (Bartering Clients)</b>			
Amounts are expressed in € '	31/12/2018	Loss percentage	Loss amount
<b>Days</b>			
0-180	578.680	0,10%	(579)
180-360	-	5,00%	-
>360	93.592	10,00%	(9.359)
<b>Total receivables</b>	<b>672.272</b>		<b>(9.938)</b>

Category C (Bad debt)			
Amounts are expressed in € ' Days	31/12/2018	Loss percentage	Loss amount
0-180	400	100,00%	(400)
180-360	-	100,00%	-
>360	100.004	100,00%	(100.004)
<b>Total receivables</b>	<b>100.404</b>		<b>(100.404)</b>
<b>Total</b>	<b>1.525.544</b>		<b>(564.233)</b>

Impairment losses according to the new accounting policy 01/01/2018: (406.661)

**Impairment losses charged to profit and loss account for the period 1/1-31/12/2018: (157.572)**

## 5.8 Prepayments

This item shows the debit balances of the Company's suppliers:

Amounts in €	31/12/2019	31/12/2018
Advances to domestic suppliers	2.407.674	1.791.892
Advances to foreign suppliers	-	57.125
<b>Total</b>	<b>2.407.674</b>	<b>1.849.018</b>
Provision for doubtful receivables	(232.980)	(155.475)
<b>Total</b>	<b>2.174.694</b>	<b>1.693.543</b>

Amounts in €	31/12/2019	31/12/2018
<b>Balance at the beginning of the year</b>	<b>155.475</b>	<b>109.475</b>
New provision	77.505	46.000
<b>Balance at the end of the year</b>	<b>232.980</b>	<b>155.475</b>

## 5.9 Receivables from taxes

The analysis of the item is as follows:

Amounts in €	31/12/2019	31/12/2018
Greek State – Taxes Prepaid - Taxes withheld	19.613	19.613
V.A.T. and other tax receivables	-	10.919
Other tax receivables	161	170
<b>Total</b>	<b>19.775</b>	<b>30.702</b>

### 5.10 Other current receivables

The item "Other current receivables" includes:

Amounts in €	31/12/2019	31/12/2018
Prepaid expenses	178.730	224.954
Other debtors	87.191	169.921
Advances to employees	5.630	19.346
Other receivables for related parties	31.624	2.587
Accrued revenue	11.130	28.266
<b>Total</b>	<b>314.306</b>	<b>445.073</b>

The fair values are considered to approximate their book value. Additionally, the maximum exposure to credit risk, excluding guarantees and credit enhancement, are considered to approximate their book value.

### 5.11 Cash and cash equivalents

The Company's Cash and cash equivalents are analyzed as shown in the table below:

Amounts in €	31/12/2019	31/12/2018
Cash in hand	-	17.328
Bank deposits	306.019	439.149
<b>Total</b>	<b>306.019</b>	<b>456.477</b>

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year.

These amounts refer to deposits with well-known and certified domestic and foreign financial institutions.

### 5.12 Share Capital

The share capital of the Company as at 31 December 2019 amounts to € 3.500.040 divided in 116.668 ordinary shares with a nominal value of € 30,00 each one. All issued shares have been fully paid, provide the same rights to receive dividends and to the repayment of the capital and represent one vote per share at the General Shareholders' Meeting of the Company.

Amounts in €	31/12/2019		31/12/2018	
	Number of shares	Nominal value	Number of shares	Nominal value
<b>Number of approved shares</b>				
Ordinary shares	116.668	30,00 €	116.668	30,00 €

Amounts in €	31/12/2019	31/12/2018
Share capital at the beginning of the period	3.500.040	3.500.040
Increase in share capital	-	-
<b>Share capital at end of the period</b>	<b>3.500.040</b>	<b>3.500.040</b>

The Shareholders General Meeting held on 11 December 2019 decided a share capital increase of € 2.000.010. The capital injection was realized on the 18 December 2019 and has been certified within January 2020. This amount appears in the line "Share capital proceeds in progress" in the Statement of Financial Position.

### 5.13 Reserves

Reserves are analyzed below:

Amounts in €	Legal reserves	Other reserves	Total
Balance as at 1/1/2018	19.316	(25.320)	(6.004)
New reserves	-	-	-
Balance as at 31/12/2018	19.316	(25.320)	(6.004)
New reserves	-	-	-
Balance as at 31/12/2019	19.316	(25.320)	(6.004)

#### Legal reserves

According to Codified Law 4548/2018 5% of profits after tax must be transferred to a legal reserve until this amount to 1/3 of the Company's share capital. This reserve cannot be distributed but may be used to offset losses.

#### Other reserves

Extraordinary reserves represent prior years retained earnings and may be distributed to the shareholders with no additional tax following a relevant decision by the Annual General Meeting.

### 5.14 Retained earnings

Retained earnings include cumulative retained earnings and IFRS adjustments. The current year's movement is depicted in the Statement of Changes in Equity.

### 5.15 Long -term and short -term debts

The Company's borrowings are analyzed as follows:

Long term debt		
Amounts in €	31/12/2019	31/12/2018
Long-term loans	250.000	500.000
<b>Total</b>	<b>250.000</b>	<b>500.000</b>

Short term debt		
Amounts in €	31/12/2019	31/12/2018
Short-term loan	1.750.000	250.000
<b>Total</b>	<b>1.750.000</b>	<b>250.000</b>

The maturities of all loans are as follows for 2019 and 2018:

Borrowings as at 31/12/2019	Long term loans	Finance lease obligations	Short term loans	Total
Amounts in €				
1 year and less	-	-	1.750.000	1.750.000
Between 1 and 5 years	250.000	-	-	250.000
Over 5 years	-	-	-	-
<b>Total</b>	<b>250.000</b>	<b>-</b>	<b>1.750.000</b>	<b>2.000.000</b>

Borrowings as at 31/12/2018	Long term loans	Finance lease obligations	Short term loans	Total
Amounts in €				
1 year and less	-	-	250.000	250.000
Between 1 and 5 years	500.000	-	-	500.000
Over 5 years	-	-	-	-
<b>Total</b>	<b>500.000</b>	<b>-</b>	<b>250.000</b>	<b>750.000</b>

Loans refer to long and short term borrowing from domestic commercial banks at a weighted interest rate 5,00% (2018: 5,5%) plus special Levy L/128 of 0.06%.

### 5.16 Retirement benefit obligation

Employee compensation obligations were determined through an actuarial study carried out by an actuary who provided a relevant study to the Company.

Actuarial assumptions	31/12/2019	31/12/2018
Technical interest rate	1,00%	1,50%
Salary future increase	0,50%	0,50%
Inflation rate	1,40%	1,80%

On 31 December 2019, the Company had 8 employees. On 31 December 2018 the Company had 8 employees. The amount of the liability recognized in the Company's financial statements is:

Amounts in €	31/12/2019	31/12/2018
Provision for personnel compensation	17.733	4.669
<b>Net liability recognized in the Statement of Financial Position</b>	<b>17.733</b>	<b>4.669</b>

In accordance with the revised IAS 19 (paragraph 63), the liability for benefits to employees recognized in the Financial Statement Position is equal to the actuarial liability at the date of calculation. Also, in accordance with the revised IAS 19 (paragraph 141), the liability for employee benefits recognized in the year-end Financial Statement Position is equal to the opening Financial Statement Position liability after the effect of the following:

- Service cost
- Interest cost
- Contribution of employees and employers
- Benefit paid
- Gain and losses from reductions
- Changes to actuarial liability or to the assets of the program
- Changes in exchange rate for calculation of plan assets in case of using different currency from that than this of the country's in which the subject Company is located etc.

In accordance with the revised IAS 19 in the Statement of Comprehensive Income (OCI), the actuarial gains / (losses) arising in each fiscal year are recognized in full. The amount recognized in Equity (OCI) amounts to € (9.661) for 2019 compared to € 3.158 for the year 2018.

#### Accounting Illustrations

On 16 June 2011, the International Accounting Standards Board (IASB) amended the IAS 19.

The revised IAS 19 R is effective for fiscal periods beginning on or after 1 January 2013. Therefore, for the fiscal year 2019, the accounting was prepared in accordance with the IAS 19 R.

Amounts in €	31/12/2019	31/12/2018
Opening balance of defined benefit plans	4.669	7.626
Current service cost	3.333	87
Interest cost	70	114
Actuarial (gain) / loss	9.661	(3.158)
<b>Liability in Statement of Financial Position</b>	<b>17.733</b>	<b>4.669</b>

### 5.17 Other provisions

The Company's Other provisions are analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Other provisions	-	6.552
<b>Total</b>	<b>-</b>	<b>6.552</b>

The account concerned a provision for non-audited fiscal year of 2013, amounting to € 6.552 formed in prior fiscal years. This year the Company has proceeded with the reversal of this amount for non-audited fiscal year due to the fact that the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-lapsed.

### 5.18 Trade and other payables

The item Trade and other payables is analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Domestic and Foreign suppliers	2.831.502	1.780.442
<b>Total</b>	<b>2.831.502</b>	<b>1.780.442</b>

Trade and other payables mainly comprise amounts outstanding for trade purchases and operating expenses.

The total of the above liabilities is considered to be of short-term maturities.

The fair value of these short-term financial liabilities is assumed to approximate their carrying amount.

Liabilities to suppliers are not interest-bearing accounts and the average credit period received for purchases, is approximately 30 days from invoicing day unless agreed otherwise, in contracts or private agreements.

### 5.19 Liabilities from taxes

The Company's current liabilities from taxes are analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
VAT liabilities	136.935	-
Payroll tax	3.664	2.115
Tax liabilities on EU fees	600	600
Other taxes	201	3
Tax liabilities due to municipal fee 2%	6.207	7.173
<b>Total</b>	<b>147.608</b>	<b>9.891</b>

### 5.20 Other short term liabilities

The "Other short-term liabilities" account for the Company is analyzed as follows:

Amounts in €	31/12/2019	31/12/2018
Advances to customers	283.784	3.838
Other liabilities	89.757	3.533.988
Sundry Debtors	36.018	38.849
Viva Payments agency fees	315.372	305.746
Social security	9.783	7.829
<b>Total</b>	<b>734.714</b>	<b>3.890.249</b>

## 5.21 Revenues

The Company's revenue is analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Revenues from sales	4.231.447	962.805
Revenues from services	4.350.515	5.334.294
<b>Total</b>	<b>8.581.962</b>	<b>6.297.099</b>

The revenues are analyzed as follow:

Amounts in €	31/12/2019	31/12/2018
POS Sales	4.231.463	951.073
POS Lease	-	633.619
Phone Services	1.070.630	1.357.548
Ticketing Services	1.685.225	1.243.457
Transportation	1.109.346	1.227.523
Mobile cards	485.034	795.890
Other	264	87.990
<b>Total</b>	<b>8.581.962</b>	<b>6.297.099</b>

## 5.22 Expenses

The total of the Company's expenses is analyzed as follows:

### Changes in inventories

The item is analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Changes in inventories POS	3.048.948	708.063
Other changes in inventories	625.539	781.676
<b>Total</b>	<b>3.674.487</b>	<b>1.489.739</b>

The item "Other changes in inventories" mainly concerns Top Up Cards and Debit Cards.

### Payroll and related expenses

The expenses recognized for employee benefits are analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Salaries, Wages & related expenses	144.731	103.491
Benefits and related expenses	5.034	549
Contributions to Social security	34.733	24.846
Retirement and severance payments	-	1.641
Current service cost	3.333	87
<b>Total</b>	<b>187.830</b>	<b>130.614</b>

The Company's number of employees as at 31 December 2019 and 31 December 2018 is presented below:

	31/12/2019	31/12/2018
No of employees	8	8
<b>Total</b>	<b>8</b>	<b>8</b>

### General, selling and administrative expenses

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Third party fees	2.793.837	3.259.375
Utilities, rents and other cost	263.025	238.682
Other taxes-duties	74.416	63.374
Travelling expenses	85.284	152.867
Promotion and advertisement	310.713	434.294
Subscriptions - contributions	11.869	11.296
Stationary	13.129	6.371
Production costs	12.633	10.870
Other operating expenses	17.163	79.676
Impairments (including effect from	359.454	203.572
<b>Total</b>	<b>3.941.522</b>	<b>4.460.376</b>

Third parties' fees and expenses for the Company are analyzed as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
POS sales & other commissions	439.899	255.406
Ticket Commissions	501.997	665.097
Transportation fees	456.722	804.797
Phone fees	115.858	117.106
Customer support	342.665	852.327
Marketing fees	269.026	93.582
IT & infrastructure	81.184	32.587
Housing & accomodation	765	4.773
Legal & other fees	7.140	23.235
Administration fees	512.679	365.103
Other third party fees	65.900	45.363
<b>Third party fees</b>	<b>2.793.837</b>	<b>3.259.375</b>

### Depreciation / Amortization

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Depreciation of furniture and other equipment	370.685	341.417
Amortization of intangible assets	359.465	461.962
Depreciation of right of use assets	17.580	-
<b>Total</b>	<b>747.730</b>	<b>803.379</b>

### 5.23 Financial expenses - income

The analysis of the financial expenses of the Company is as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Loan interest	72.875	81.034
Rights of use assets interest	2.702	-
Other bank expenses	10.392	76.022
Actuarial interest	70	114
<b>Total</b>	<b>86.039</b>	<b>157.169</b>

The analysis of the financial income of the Company is as follows:

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Interest income and related income	14	68
<b>Total</b>	<b>14</b>	<b>68</b>

### 5.24 Income Tax

The tax on the losses before tax of the Company differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits/losses of the Company as follows:

According to law 4646/2019, the corporate income tax rate in Greece is reduced to 24% for fiscal year 2019 onwards.

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
<b>Deferred tax</b>		
Tax on expenses not deductible for tax purposes	70.369	6.454
Deferred tax from previous year tax losses	-	59.371
<b>Total deferred tax</b>	<b>70.369</b>	<b>65.826</b>
<b>Total tax</b>	<b>70.369</b>	<b>65.826</b>
Applied tax rate	24%	29%
<b>Profit/(Loss) before tax</b>	<b>(55.632)</b>	<b>(744.110)</b>
<b>Tax based on applied tax rate (1)</b>	<b>13.352</b>	<b>215.792</b>
<b>Tax amounts to</b>		
Non-Deductible Expenses	54.849	(88.095)
Other differences	2.168	(64.654)
Tax from previous year loss	-	2.783
<b>Total (2)</b>	<b>57.017</b>	<b>(149.966)</b>
<b>Total (1) + (2)</b>	<b>70.369</b>	<b>65.826</b>

### Tax Audit Certificate:

For the fiscal years 2014, 2015, 2016, 2017 and 2018 the Company has been audited for its tax liabilities by the legally appointed auditor and has obtained the "Tax Compliance Report", out of which no additional tax liabilities arose regarding tax expense, according to the relevant laws and regimes.

The tax audit for the financial year 2019 is still in progress by the statutory auditors “Mazars S.A.” and the relevant tax compliance report is expected to be issued after the publication of the annual financial statements of year 2019. The Company’s Management does not expect that significant additional tax liabilities will arise, in excess of these recorded disclosed in the financial statements.

### 5.25 Profit/(Loss) per share

The basic Profit/(Loss) per share are calculated by dividing the profit or loss for the fiscal year, minus any dividends, by the weighted average number of ordinary shares during the period.

Amounts in €	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Profit/(Loss) after tax	12.418	(677.495)
Weighted average number of shares	116.668	116.668
<b>Basic Profit/(Loss) per share (€ /share)</b>	<b>0,11</b>	<b>(5,81)</b>

The weighted number of shares is as follows:

	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
Balance of shares at 01/01	116.668	116.668
Balance of shares at 31/12	116.668	116.668
<b>Weighted number of shares</b>	<b>116.668</b>	<b>116.668</b>

### 5.26 Dividends

During the current year of 2019, the Company did not pay dividends to its shareholders as the current year resulted in a loss.

## 6. Contingent assets and liabilities

a) There are no outstanding legal cases against the Company, which are expected to flourish and to compel the Company to compensation.

b) The tax audit for the financial year 2019 is still in progress by the statutory auditors «Mazars S.A.». Upon completion of the tax audit, the Company’s Management does not expect that significant additional tax liabilities will arise, in excess of these recorded and disclosed in the financial statements.

c) The Company has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business, from which it is not anticipated that any material liabilities will arise.

In conclusion no material charges are expected arise from contingent liabilities. No additional payments are expected after the date of preparation of these financial statements. Against credit guarantees issued by credit institutions, tangible collaterals have not been granted.

## 7. Related Party transactions

The following transactions are transactions with related parties as defined by IAS 24, cumulative from the beginning of the fiscal year to the end of it as well as the rest of the Company's assets and liabilities at the end of the current fiscal year, resulting from the specific transactions of related parties.

### Transactions and Balances with related parties

Transactions in the years 2019 and 2018 and the balances at 31 December 2019 and 31 December 2018 with related parties within the meaning of IAS 24 are as follows:

Amounts in € Receivables	31/12/2019	31/12/2018
VIVA PAYMENTS S.A (Group Subsidiary)	765.364	-
VIVA WALLET LTD (Group Subsidiary)	385.857	-
Other related parties	61.239	61.239
Board members	17.930	2.587
<b>Total</b>	<b>1.230.390</b>	<b>63.826</b>

Amounts in € Liabilities	31/12/2019	31/12/2018
VIVA PAYMENTS S.A (Group Subsidiary)	968.959	3.116.426
VIVA WALLET S.A (Parent Company)	1.022.678	409.457
VIVA WALLET LTD (Group Subsidiary)	18.324	-
<b>Total</b>	<b>2.009.961</b>	<b>3.525.883</b>

Amounts in € Sales	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
VIVA PAYMENTS S.A (Group Subsidiary)	2.278.685	318.105
VIVA WALLET LTD (Group Subsidiary)	385.857	-
<b>Total</b>	<b>2.664.542</b>	<b>318.105</b>

Amounts in € Purchases - Cost of Sales	1/1/2019 - 31/12/2019	1/1/2018 - 31/12/2018
VIVA PAYMENTS S.A (Group Subsidiary)	810.641	720.388
VIVA WALLET S.A (Parent Company)	479.200	319.200
VIVA WALLET LTD (Group Subsidiary)	292.977	-
<b>Total</b>	<b>1.582.818</b>	<b>1.039.588</b>

No provision has been made to doubtful debts in respect to the amounts due from related parties.

## 8. Capital Management policies and procedures

The Company manages its capital to ensure that will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company monitors the capital using the Gearing ratio of net total liabilities to equity. The net debt includes interest-bearing borrowings less cash and cash equivalents.

The Board of Directors monitors the capital structure on a frequent basis and takes into account the associated cost of capital and risks in order to determine the follow up strategy.

Amounts in €	31/12/2019	31/12/2018
Total net liabilities	5.470.571	5.985.327
Equity attributable to company's shareholders	3.710.222	1.705.136
<b>Total net liabilities / Equity</b>	<b>1,47</b>	<b>3,51</b>

## 9. Risk management policies

The Company's activities create a variety of financial risks, including foreign exchange risks and interest rate, credit and liquidity risks. The overall risk management program of Company's movements focuses in financial markets fluctuations and intends to minimize potential adverse effects of these fluctuations on the financial performance of the Company.

The Company does not perform speculative transactions or transactions that are not related to its commercial, investing or borrowing activities.

The financial instruments, which use the Company, mainly consisted of deposits in banks, bank's accounts, accounts receivables and payables and long term borrowings.

### 9.1 Foreign exchange risk

Company's financial situation and cash flows from operating activities are not sensitive to fluctuations in exchange rates as its transactions are in Euro (€).

### 9.2 Interest rate risk

The operation results and cash flows from operating activities of the Company are not sensitive to fluctuations in interests rates as well as the Company has no floating rate contracts.

### 9.3 Credit risk

The Company has no significant credit risk. Any remaining credit risk relates to cases of customers' failure to fulfill their transactional obligations.

The transactions of the Company's customers are developed after their credit rating and reliability check, to avoid late payment problems and therefore bad debts.

Potential credit risk may exist in cash and cash equivalents and investments. In these cases, the risk may arise from failure of the counterparty to meet its obligations to the Company.

To minimize this credit risk, the Company deals only with recognized financial institutions of high credit rating.

The Company's maximum exposure to credit risk is as follows:

Amounts in €	31/12/2019	31/12/2018
Other non-current assets	15.854	17.629
Trade and other receivables	2.411.056	1.379.030
Prepayments	2.174.694	1.693.543
Other current receivables	314.306	445.073
Cash and cash equivalents	306.019	456.477
<b>Total</b>	<b>5.221.928</b>	<b>3.991.751</b>

#### 9.4 Liquidity risk

The prudent liquidity management is achieved by the existence of an appropriate combination of cash and bank credit.

The Company manages the risks which may arise from lack of sufficient liquidity, by ensuring that there are always secured bank credits to use.

The following table summarizes the maturity dates of the financial liabilities of the Company, which are presented in the Financial Statement Position, at discounted prices, based on payments resulting from the relevant loan agreements or the agreements with the suppliers.

Financial liabilities as at 31/12/2019	up to 1 year	1 year to 5 years	Over 5 years	Total
Amounts in €				
Trade and other payables	2.831.502	-	-	2.831.502
Other short term liabilities	882.322	-	-	882.322
Loans	1.750.000	250.000	-	2.000.000
<b>Total</b>	<b>5.463.824</b>	<b>250.000</b>	<b>-</b>	<b>5.713.824</b>

Financial liabilities as at 31/12/2018	up to 1 year	1 year to 5 years	Over 5 years	Total
Amounts in €				
Trade and other payables	1.780.442	-	-	1.780.442
Other short term liabilities	3.900.141	-	-	3.900.141
Loans	250.000	500.000	-	750.000
<b>Total</b>	<b>5.930.583</b>	<b>500.000</b>	<b>-</b>	<b>6.430.583</b>

## 10. Events after the reporting period

The share capital increase of € 2.000.010 was finalized according to Corporate Law 4548/2018 on 28 January 2020.

The COVID-19 outbreak, and most importantly, the rapid spread of the epidemic globally, is now expected to adversely affect economic activity worldwide, with the Greek economy facing significant challenges taking into account the important role of the tourism and transportation sectors which have adjust their productivity to minimum levels if not ceased. The evolution of the disease and its economic impact remains highly uncertain. Against this backdrop of ongoing downward revisions of growth forecasts for the global economy and the euro area, in conjunction with Greece's high dependency on inbound tourism, Greek GDP growth is expected to substantially deviate from the official scenario in 2020.

For accounting purposes, COVID 19 outbreak is considered as a non –adjusting event. Depending on how the situation develops and the duration of the disruption, we expect revenue reductions due to lower transaction volumes while there is the potential the associated economic slowdown to impact our expected credit losses and as a consequence our EBITDA and liquidity position. While our economic scenarios used to calculate a range of outcomes, the potential economic impact of the COVID 19 was not considered at the year – end due to the limited information and emergent nature of the outbreak in Greece which occurred in February 2020.

The Company's priority is always the well-being of our stakeholders. Therefore, we have invoked our business continuity plans to help ensure the safety and well-being of our staff, as well as our capability to support our customers and maintain our business operations.

No other significant subsequent events occurred after 31 December 2019 which should either be disclosed or differentiate the figures of the published financial statements.

**Marousi, 10/04/2020**

**President & Chief  
Executive Officer**

**Member**

**Chief Financial Officer**

**Haralampos Karonis  
ID AM 207833**

**Gerasimos Antypas  
ID X 188444**

**Dimitrios Kontoullis  
ID AB 597533  
A.M.A 100209  
A CLASS**

The above Notes to the Financial Statements (pages 17–48) are those mentioned in the auditor's report dates at 10/04/2020.