



Annual Report & Accounts 2019

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In compliance with the provisions of articles 65 and 66 of the Commercial Companies Code, we present, with reference to the year two thousand and nineteen, the Management Report of "**EUPAGO - Instituição de Pagamentos, Lda.**", hereinafter referred to as **euPago**, taxpayer no. 513 212 744, headquartered at Rua do Paraíso, no. 258, 4000-376, in the city of Porto.



1. Message from the Management

euPago - Instituição de Pagamentos, Lda has been maintaining sustained growth since the beginning of its activity, in 2015. This growth has followed the strong evidence of the increase in demand for payments *online* by society, thus changing the payment paradigm.

The management considers that 2019 was indeed consistent with the trend mentioned above, reflected in the company's results, as well as in the volume traded - 256 million euros.

The year of 2019 was marked by the consolidation of the first phase of changes in the company's financial department, in order to ensure a quick response to customers' information needs. This implied the definition of a strict internal control policy and the definition of appropriate procedures for each type of service provided by the company.

This year was also marked by the construction work on the new office, finishing in 2020. This office represents yet another investment that the company makes in consolidating its growth strategy.

Acknowledgement

It is with great satisfaction that we extend our thanks to all those who have accompanied us on this path, namely to our customers, for the confidence shown, to our partners (suppliers and consultants), for the support they have given us and, finally, to our employees, who have always known how to exceed themselves in providing an increasing quality service to customers.

Finally, we would like to express our thanks to our Certified Accountant and also to our Statutory Auditors, for their support, professionalism and rigor that they have given us in the services provided in this year of marked demand.

The Management team,

José Leandro Amaro da Veiga

Telmo Pacheco dos Santos

2. Activity in 2019

The year 2019 was marked by the consolidation of the process initiated in the previous year to change the procedures and tools of the financial department. Several internal control's mechanisms have been developed and consolidated, allowing to generate even more transparent information and delivering it faster, thus raising the confidence that customers place in us.

As mentioned in the 2018's report and accounts, this process implied changing the company's *software* accounting and management and, above all, customizing it, which has been going on for a long time. In this context, the perspective is that the company can continuously respond as quickly as possible to changes resulting from Bank of Portugal's directives, as well as the adoption of new services and IT systems. This customization is not yet finished, since 2020 will allow the development of a second phase of the strategy defined for the department and, cumulatively, for the company.

It should also be noted that this change implies the creation of a qualified financial team and strongly committed to carrying out the company's strategy. In this way, the financial team was reinforced with 2 more elements in 2019, and it is expected to hire one more person in 2020.

The year 2019 was also a year of providing employees with important knowledge to carry out their duties. Among others, we highlight the money laundering and terrorism financing course given to the Commercial, Customer Support and Financial departments.

In addition, the company provided the opportunity for its employees to attend training sessions about leadership, thus providing them with essential strategies in order to keep up with the requirements of the various functions.

As mentioned in the 2018's annual report and accounts, the Compliance Department was also adapted to the growth seen by euPago. Thus, a completely independent structure was created with the necessary resources to effectively monitor the activity. New tools for alerting and monitoring transactions have been created and new reporting systems have been adopted to report to Bank of Portugal. This evolution, although important, was not fully concluded this year, continued in 2020. The autonomy of this department, the various training actions and the automation of some processes proved to be fundamental for the mitigation of risks. The strong investment of resources and the expansion of the team planned for 2020 will continue the effort developed, giving euPago a greater capacity to respond to the new challenges ahead.

The year 2019 was also a year of reevaluation and revalidation of the license to exercise the activity of payment's institution culminating with the revalidation of the Institution by Banco de Portugal.

It should also be noted that, in this context, an external audit was carried out to the company, with the objective of auditing the procedures in terms of informational systems required by DSP2. This audit was carried out smoothly and was not detected any relevant issue.



The consequence of the accumulation of all these processes, endowed the company with technical and human skills that prepare it for a new phase of paradigm shift, now competing at European level in the scope of the new services provided by DSP2.

3. Economic and Financial analysis

The 2019's turnover grew 58.40% compared to 2018, standing at € 3,327,449.42. This growth was mainly due to the attraction of new customers (approximately 4000 in 2019), reflected in an increase of 52.29% in the volume of transactions and of approximately 51.11% in the number of transactions processed. It should also be noted that the increase in turnover was also reflected in the proportional increase in the commissions charged by financial institutions and other market players.

Both personnel and administrative expenses increased by 33% and 72%, respectively.

The company thus ended the year with a positive net income for the period of € 317,008.93 (three hundred and seventeen thousand and eight euros and ninety-three cents), representing an increase of about 5% compared to the previous year.

4. Investments

The year 2019 was marked by the investment made in the construction work of the company's new office, which will only be completed during the year 2020. The office was designed considering the predictable growth of the company, endowing it with specific characteristics to develop its financial activity (segregation of departments, redundancy and security).

5. Predictable evolution

The company expects that the year 2020 will allow it to consolidate some important procedures, as well as continue to play a relevant role in the development of new forms of financial transactions.



6. Proposal for the results' application

Regarding the application of results, which are positive in the amount of € 317,008.93, it is proposed to allocate them as follows:

- Legal Reserves: the amount of € 15,850.45;
- Other Reserves: the amount of € 51,158.48;
- Special reserve (DLRR): the amount of € 250,000.00.

7. Debts to the State Public Sector

There are no outstanding debts to the state and other public entities.

8. Major events after the end of the year

In March 2020, the Company and the Country faced a reality that had never happened before: the declaration of a global pandemic related to Covid-19.

However, such declaration, and subsequent declaration of a state of emergency, did not jeopardize the continuity of the Company's activity. euPago proceeded with the necessary steps so that all employees started to work on teleworking basis from March 16th, providing all the tools and necessary equipment thus ensuring the quality of the service provided by euPago, as well as its normal activity.

We made a careful evaluation of the predictable effects on the company's activity, namely turnover, and for the moment we cannot conclude about the future impact, as the financial consequences are verified in the long term.

In this way, the declaration of the state of emergency, which was extended until 3rd of May, did not jeopardize the Company's operational continuity. euPago managed the situation very quickly in order to execute a contingency plan which ensured the same level of customer service.

9. Final considerations

The company does not have branches.

During 2019, the company did not acquire or dispose of its own shares.

Porto, April 30, 2020

The Management team,

José Leandro Amaro da Veiga

Telmo Pacheco dos Santos



NOTES TO FINANCIAL STATEMENTS PERIOD 2019

1 – Company identification

Name:

EUPAGO – INSTITUIÇÃO DE PAGAMENTO, LDA.

Headquarters:

RUA DO PARAÍSO, NO. 258
4000 - 376 PORTO

VAT Number:

PT-513212744

Activity

At the time of euPago's establishment, the purpose was, to provide payment services to pursuit of the following activities:

- a) execution of payment transactions provided in Article 4, paragraph g) of Legal Framework of Payment Institutions and Payment Services: execution of payment transactions in which payer's consent to the execution of the transaction is communicated through any telecommunications, digital or computer devices and payment is made to the operator of the network or telecommunications or informatic systems, acting exclusively as an intermediary between the payment service user and the provider of the goods and services;
- b) Provision of operational and ancillary services closely linked to the payment services which represents their corporate purpose, particularly the provision of payment information systems, data storage, storage and processing services.

By resolution taken by the shareholders on 28th December 2017, amended at the general meeting held on 28th February 2018, its corporate purpose also allowed the execution of the operations provided in paragraphs c), e) and f) of Article 4 of Legal Framework of Payment Institutions and Payment Services, in addition to the existing paragraph g).

By deliberation taken by the members at the general meetings held on 28th August, 4th October and 23rd December, the corporate purpose was successively amended to the following:

- 1) the provision of payment services to pursue the following activities: a) execution of payment transactions, including the transfer of funds deposited in a payment account opened with the user's payment service provider or other payment service provider, such as: - execution of

direct debits, including one-off debits; execution of payment transactions using a payment card or a similar device; execution of credit transfers, including domiciliation orders; b) issuing payment instruments or acquiring payment transactions; c) sending funds; d) payment initiation services; e) account information services.

- 2) provision of credit intermediation services such as presentation or proposal of credit agreements to consumers; assistance to consumers by pre-contractual management work related to credit agreements which have not been submitted or proposed by them; signature of credit agreements with consumers on behalf of the creditor and also the provision of consulting services in related to credit agreements.
- 3) Provision of operational and ancillary services closely linked to the payment services which represents their corporate purpose, particularly the provision of payment information systems, data storage, storage and processing services.

The Financial Statements only cover the individual entity and refer to 31st December 2019. The currency displayed is the Euro.

2 - Accounting reference for preparation of financial statements

With the publication of Bank of Portugal Notice no. 5/2015, the entities subject of the supervision of Bank of Portugal were obliged to draw up their financial statements on individual basis according to IFRS, as adopted by European Union Regulation, more specifically, Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19th July, according to the changes introduced after its publication.

IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) as well as interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and its predecessor bodies.

Although Notice no. 5/2015 took effect from 1st January 2016, the Payment Institutions benefited, during the year of 2016, from the transitional regime provided for Article 3 of that Notice, so that in these entities the adoption of IFRS only took place on 1st January 2017.

euPago's financial statements were prepared according to IFRS and under the historical cost convention, except for assets and liabilities recorded at fair value.

It should be noted that the preparation of the financial statements according to IFRS requires judgments and estimates and use assumptions that affect the application of accounting policies and the amounts of income, costs, assets and liabilities. Changes in such assumptions or differences compared to reality may have an impact on current estimates and judgments.

euPago first adopted IFRS 9 on 1st January 2018, not restating the comparatives, but showing, in 2018, the financial assets at fair value through results.



3 - ACCOUNTING POLICIES

Measurement bases used in the preparation of financial statements:

CASH AND DEPOSITS IN OTHER CREDIT INSTITUTIONS

The amounts included in the heading "Cash and deposits in other credit institutions" refers to the amounts in demand deposits and term deposits, in the following banks: Millennium BCP, Santander Totta, Caixa Crédito Agrícola, Novo Banco and Banco Português de Investimento used exclusively for transactions related to the activity of payment services.

OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial investments, which are measured at fair value through profit and loss, are initially recognized at fair value. Profits and losses at fair value are recognised in the company's results.

TANGIBLE AND INTANGIBLE ASSETS

Tangible and intangible assets are stated at acquisition cost less accumulated depreciation and impairment losses.

Depreciation is calculated on straight-line basis after the date that the goods are available for use, on a duodecimal basis according to the estimated useful life period for each group of goods referred on the Decree - Law no. 25/2009 of 14th September, which establishes the depreciation/amortization rates accepted for tax purposes.

If there is any indication that there has been a significant change in the useful life or residual amount of an asset, the depreciation of that asset prospectively is reviewed to reflect the new expectations.

OTHER ASSETS

The other assets include receivables, which are measured at amortized cost less any impairment loss. At the end of each reporting period, accounts receivable are analyzed in order to assess if there is any evidence that they are not recoverable. If so, the loss of impairment is immediately recognized.

FINANCIAL LIABILITIES

Financial liabilities, essentially client resources, are initially recognized at fair value, which corresponds to the net consideration received of transaction costs and are subsequently valued at amortized cost.

INCOME TAXES

Income tax expense for the period represents the sum of current tax and deferred tax.

Current income tax is calculated on the basis of the entity's EBIT according to the tax rules in force, while deferred tax results from temporary differences between the amount of assets and liabilities for accounting reporting purposes (carrying amount) and their amounts for tax purposes (tax base).

REVENUE

Revenue is measured at the fair value of the consideration received or receivable.
The turnover is excluding taxes, discounts and other costs inherent in their implementation.

EMPLOYEES' BENEFITS

Employees' benefits includes wages, food allowance, and Christmas and Holidays subsidies.
The obligations arising from these benefits are recognized as expenses of the period in which services are provided, in return of the recognition of a liability that is extinguished with the respective payment.

According to labor legislation, the employees right to holidays and holidays subsidy of the period, which coincides with the calendar year, overdue on 31 December of each year, being paid only during the following period, so that the corresponding expenses are recognized as short-term benefits.

ACCRUAL AND DEFERRED ACCOUNTING PRINCIPLE

Transactions are accountingly recognised when they are generated, regardless the payment or receivable moment, according to the accounting principle of the financial year specialisation.

KEY ASSUMPTIONS FOR THE FUTURE

The world is currently facing the Covid-19 pandemic emerged in 2020 and its enormous social and economic effects. The collapse of the economy, which affects all businesses and workers, remains undetermined and does not allow companies to predict all economic consequences with acceptable accuracy neither the financial impact on their activity. euPago proceeded with the necessary steps so that all employees started to work on teleworking basis, providing all the tools and necessary equipment, ensuring the same quality of the service provided by euPago.

According to the overall assessment carried out and the measures taken we conclude that the operational continuity of the company, the assumption in which the 2019 accounts are presented, is ensured.

4 - CASH AND DEPOSITS IN OTHER CREDIT INSTITUTIONS

Cash and deposits in credit institutions at 31st December 2019 and 31st December 2018 are presented as:

Headings	31.12.2019	31.12.2018
Demand deposits	1,307,994.31	2,340,432.89
Total bank deposits	1,307,994.31	2,340,432.89

5 - OTHER FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Other financial assets at fair value through profit and loss at 31st December 2019 and 31st December 2018 are presented:

Headings	31-12-2019	31-12-2018
Other Staff Costs	2,295.65	1,348.78
Investment funds	65,217.37	65,487.93
Other financial assets	67,513.02	66,836.71

6 - OTHER-TANGIBLE ASSETS:

Tangible assets at 31st December 2019 and 31st December 2018 are presented as:

Headings	31-12-2018	Additions/Reinforcement	31-12-2019
Tangible assets			
Land and natural resources	87,138.90	0.00	87,138.90
Buildings and other constructions	10,979.80	718.00	11,697.80
Basic equipment	4,134.17	0.00	4,134.17
Transport equipment	41,504.06	0.00	41,504.06
Office equipment	8,524.30	1,448.55	9,972.85
Other tangible assets	957.44	0.00	957.44
Gross tangible assets	153,238.67	2,166.55	155,405.22
Depreciation of the period	12,677.66	15,343.20	28,020.86
Accumulated depreciation	12,677.66	15,343.20	28,020.86
Net tangible assets	140,561.01		127,384.36



Headings	31-12-2017	Additions/Reinforcement	31-12-2018
Tangible assets			
Land and natural resources	0.00	87,138.90	87,138.90
Buildings and other constructions	3,612.94	7,366.86	10,979.80
Basic equipment	0.00	4,134.17	4,134.17
Transport equipment	0.00	41,504.06	41,504.06
Office equipment	4,643.71	3,880.59	8,524.30
Other tangible assets	102.44	855.00	957.44
Gross tangible assets	8,359.09	144,879.58	153,238.67
Depreciation of the period	3,807.22	8,870.44	12,677.66
Accumulated depreciation	3,807.22	8,870.44	12,677.66
Net tangible assets	4,551.87		140,561.01

7 - INTANGIBLE ASSETS

Intangible assets at 31st December 31st,2019 and at 31st December 31st,2018 are presented as:

Headings	31-12-2018	Additions/Reinforcement	31-12-2019
Intangible Assets			
Development projects	15,416.00	0.00	15,416.00
Software	11,854.55	0.00	11,854.55
Gross Intangible Assets	27,270.55	0.00	27,270.55
Amortizations of the period	15,975.75	7,354.04	23,329.79
Impairment losses			
Accumulated amortizations	15,975.75	7,354.04	23,329.79
Net Intangible Assets	11,294.80		3,940.76

Headings	31-12-2017	Additions/Reinforcement	31-12-2018
Intangible Assets			
Development projects	15,416.00	0.00	15,416.00
Software	4,066.60	7,787.95	11,854.55
Gross Intangible Assets	19,482.60	7,787.95	27,270.55
Amortizations of the period	7,493.30	8,482.45	15,975.75
Impairment losses			
Accumulated amortizations	7,493.30	8,482.45	15,975.75
Net Intangible Assets	11,989.30		11,294.80



8 - ONGOING INVESTMENTS

Ongoing investments related to a fraction acquired in 2018, which is ongoing work:

Headings	31-12-2018	Additions	31-12-2019
Ongoing investments			
Buildings and other constructions	261,416.70	196,803.32	458,220.02
Gross ongoing investments	261,416.70	196,803.32	458,220.02

9 - OTHER ASSETS

Other assets at 31st December 2019 and 31st December 2018 are presented as:

Headings	31-12-2019	31-12-2018
Customers	4,568.07	5,991.49
Doubtful Customers	338.25	338.25
Impairment of receivables	-338.25	-338.25
Suppliers	1,285.17	4,978.38
VAT to be recovered	0.00	142,694.29
Shareholders	0.00	375.20
Accruals of debtors	2,177.69	3,252.45
Other debtors	24,765.74	22,171.20
Loses to be recognized	10,832.36	2,822.99
Other assets	43,629.03	182,286.00

10 - CUSTOMER RESOURCES AND OTHER LOANS

“Customer resources and other loans” is related to amounts received in specific demand deposits’ accounts for transactions associated with payment services from customers of EUPAGO client entities, which are daily transferred to the respective entities.

Headings	31-12-2019	31-12-2018
Customer Resources and Other Loans	1,103,027.25	2,236,090.16



11 - CURRENT TAX OF ASSETS AND LIABILITIES

Current tax assets and liabilities at 31st December 2019 and 2018 are presented as:

Headings	31-12-2019	31-12-2018
State and other public entities		
Income Tax's estimation	- 53,635.44	- 86,874.11
Specific payment of taxes	75,939.00	54,717.00
Special payment of taxes	0.00	2,302.00
Withholding taxes		10.39
Current tax assets	22,303.56	
Current tax liability		29,844.72

12 - OTHER LIABILITIES

Other liabilities at 31st December 2019 and 2018 are presented as:

Headings	31-12-2019	31-12-2018
Customers	9,976.02	0.00
Suppliers	47,958.77	100,473,71
Employees	4,400.00	0.00
State		
IRS - Dependent Work	2,320.00	1,361.00
IRS - Independent Work	150.00	0.00
IRS – Rents	175.00	95.00
VAT	7,344.48	0.00
Social Security	6,185.00	4,046.24
Other taxation	0.00	1,672.62
Creditors for accruals	29,723.76	40,138.88
Other	3,610.07	0.00
Other liabilities	111. 843,10	147,787.45

13 - EQUITY INSTRUMENTS

Equity instruments at 31st December 2019 and 2018 are presented as:

Issued Capital	31-12-2019	31-12-2018
Initial balance	125,000.00	125,000.00
Entries by incorporation of free reserves (capital increase)	125,000.00	0.00
Final balance	250,000.00	125,000.00

14 - RESERVES, RETAINED EARNINGS AND NET INCOME FOR THE PERIOD

Reserves, retained earnings and net income for the period at 31st December 2019 and 2018 are presented as:

Headings	31-12-2018		31-12-2019
Legal and statutory reserves	12,713.48	15,069.62	27,783.10
Other reserves	150,000.00	-125,000.00	25,000.00
Special Reserve (DLRR)	0.00	196,322.68	196,322.68
Net income for the period	301,392.30		317,008.93

By deliberations of the General Meetings held on 3rd and 7th May 2019, the net income for the year 2018 was applied on the reinforcement of legal and statutory reserve (€ 15,069.62) and on the constitution of the special investment reserve associated with the tax benefit of DLRR - "Deduction of retained and reinvested profits" (€ 196,322.68), and the amount of € 90,000 was the payment of dividends.

15 - REVENUE

Revenue at 2019 and 2018 are presented:

Headings	2019	2018
Services provided		
Commissions and other income	3,327,449.42	2,101,215.36
Interest, dividends and other similar income		
Interest and similar income	0.00	678.23
Total	3,327,449.42	2,101,893.59



16 - CHARGES FOR SERVICES AND COMMISSIONS

Charges for services and commissions at 2019 and 2018 are presented:

Headings	2019	2018
Charges for Services and Commissions	1,782,810.93	1,109,035.66

17 – NET RESULTS FROM FINANCIAL OPERATIONS AT FAIR VALUE

Net results from financial operations at fair value at 2019 and 2018 are presented as:

Headings	2019	2018
Gains from fair value increases		
In financial investments	423.64	0.00
Sub. Total	423.64	0.00
Losses from fair value reductions		
In financial investments	694.20	2,094.90
Sub. Total	694.20	2,094.90
Total	(270.56)	2,094.90

18- IMPAIRMENT OF RECEIVABLES

Impairment of receivables at 2019 and 2018 are presented as:

Headings	2019	2018
Impairment losses		
Impairment of receivables	0.00	338.25
Total	0.00	338.25

19 - OTHER OPERATING INCOME / (LOSSES)

Other operating income/ (losses) at 2019 and 2018 are presented as:

Headings	2019	2018
Income		
Operating subsidies	0.00	5.677,98
Prepayment discounts	0.00	27.11
Financial earnings and gains	0.00	889.14
Non-financial investment earnings and gains	39.00	11.44
Overestimated taxes	19,719.41	387.28
Other	59.96	136,910.86
Sub. Total	19,818.37	143,903.81
Losses		
Taxes	1,757.31	5,832.54
Prepayment discounts	0.00	13.30
Financial investments expenses and losses	0.00	8,598.89
Corrections of the previous periods	2,557.84	0.00
Levies	420.00	420.86
Fines	579.85	6,410.27
Exchange losses	0.00	2.11
Other expenses	1,943.19	828.19
Sub.Total	7,258.19	22,106.16
Total	12,560.18	121,797.65

20 - PERSONNEL COSTS

The personnel costs are presented as:

Staff Costs	2019	2018
Shareholders' salaries	34,127.50	27,480.26
Employees' salaries	103,773.94	72,675.61
Salaries' charges	28,513.55	21,796.27
Labour insurance and others	869.67	2,220.52
Social action's expenditures	150.00	0.00
Other personnel costs	2,634.65	3,350.42
Total	170,069.31	127,523.08

The average number of employees in 2018 and 2019 was 7 and 9, respectively.

21 - ADMINISTRATIVE EXPENSES

Administrative expenses at 2019 and 2018 are presented as:

Headings	2019	2018
Specialized work	887,220.93	510,540.72
Advertising	63,404.28	23,106.43
Surveillance and security	255.00	0.00
Contractors	4,500.00	1,200.00
Conservation and repairment	23.30	5,119.89
Tools	692.22	576.52
Books and technical documentation	0.00	181.30
Office supplies	2,444.71	3,390.72
Gift items	0.00	9,000.00
Energy	739.63	26.50
Travelling accommodation	7,169.00	6,194.51
Rents	8,080.00	4,967.70
Communication	5,260.90	9,173.80
Insurance	5,336.40	1,010.68
Litigation and notary	770.25	1,355.19
Hygiene and comfort	0.00	24.80
Other services	7,620.57	2,548.59
Total	993,517.19	578,417.35

The amount in "Specialised work" includes the total fees invoiced during the financial year by the audit firm for the statutory review of the annual accounts (€3,750).

22 - INCOME TAXES

The reconciliation between the nominal and the effective tax rate at December 31st 2019 and 2018 is presented as:

Headings	2019	2018
Net income / (loss) before income tax	370,644.17	388,266.41
Accruals/Deductions (+/-)	(27,641.72)	(4,340.16)
Taxable profit	343,002.65	383,926.25
Tax base	343,002.65	383,926.25
Collection	71,430.56	80,024.51
Tax benefits - DLRR	25,000.00	19,632.27
Net collection	46,430.56	60,392.24
Local tax	5,145.04	5,758.89
Specific taxation	2,059.84	1,090.71
Income tax	53,635.44	67,241.84
Effective tax rate	14.47%	17.32%

At the closure of 2018 accounts, the tax benefit associated with the DLRR was not taken into account, because it was a decision taken at the general meeting for the account's approval of that year, and therefore an estimated income tax of € 86,874.11 was recorded.

23 - RELATED ENTITIES

At December 31st, 2019, the shareholder José Leandro Amaro da Veiga has a participation of 90% in Paysoft – Desenvolvimento de Software, Lda and 95% in Intelidus Informática, Lda., and Telmo Pacheco dos Santos has a participation of 10% in Paysoft – Desenvolvimento de Software, Lda. During 2019, these companies provided IT services and sales of office supplies to euPago.

The Intelidus Informática, Lda is our customer in payments' services.

Transactions' amounts and balance:

Headings	Transactions' amounts	Balance at 31-12-2018
Customer		
Intelidus Informática, Lda.	6,188.10	816.91
Suppliers		
Intelidus Informática, Lda.	155,585.08	1,911.44
Paysoft-Desenvolvimento de Software,Lda.	713,585.00	0.00



24 - OTHER INFORMATION

Pursuant to Decree-Law no. 534/80 of 7th November, the management team informs that the company does not have outstanding debts to the state and other public entities.

According to the Article 210 of the Social Security's Code, the management team informs that the company's situation under Social Security is regularized.

Regarding the application of results, which are positive in the amount of € 317,008.93, the proposal is:

- Legal and Statutory Reserves: the amount of € 15,850.45;
- Other Reserves: the amount of € 51,158.48;
- Special reserve (DLRR): the amount of € 250,000.00.

25- EVENTS AFTER THE BALANCE SHEET DATE

Recently an increase number of Covid-19's infection cases have been reported at national and international level. Several governments, authorities and economic stakeholders implemented some initiatives with impact on population and the global economy. The effects of dissemination of the virus are still being analysed by the competent authorities and new initiatives are expected to be implemented with an impact on the current situation.

According to the measures already implemented and possible future initiatives, it is expected that our activity sector will not be one of the most affected at national level. In this context, the measures implemented for employees' protection and health were determined based on the best information available at this date, so that the daily tasks were carried out in teleworking.

The protection of the company's financial position was determined according to the information available at that time, but there is an uncertainty associated with the future evolution of the dissemination of Covid-19.

Porto, April 30, 2020

The Certified Accountant

The Management Team

Individual balance sheet 31-12-2019

In Euros (€)

	Notes	31/12/2019			31/12/2018
		Assets before provisions impairments and amortization	Provisions impairments amortization	Net Assets	Net Assets
ASSETS					
Cash and Bank Balances	4	1,307,994.31	0.00	1,307,994.31	2,340,432.89
Financial assets at fair value through profit or loss	5	67,513.02		67,513.02	66,836.71
Property, plant and equipment	6 e 8	613,625.24	28,020.86	585,604.38	401,977.71
Intangible Assets	7	27,270.55	23,329.79	3,940.76	11,294.80
Current tax assets	11	22,303.56	0.00	22,303.56	0.00
Other assets	9	43,967.28	338.25	43,629.03	182,286.00
TOTAL ASSETS		2,082,673.96	51,688.90	2,030,985.06	3,002,828.11
EQUITY & LIABILITIES					
	Notes			31/12/2019	31/12/2018
LIABILITIES					
Resources from customers	10			1,103,027.25	2,236,090.16
Current tax liabilities	11			0.00	29,844.72
Other liabilities	12			111,843.10	147,787.45
TOTAL LIABILITIES				1,214,870.35	2,413,722.33
EQUITY					
Issued capital	13			250,000.00	125,000.00
Reserves and retained earnings	14			249,105.78	162,713.48
Net income for the period	14			317,008.93	301,392.30
TOTAL EQUITY				816,114.71	589,105.78
TOTAL LIABILITIES AND EQUITY				2,030,985.06	3,002,828.11



Profit and Loss Statement

For the period ended 31-12-2019

In Euros (€)

	Notes	2019	2018
Interest and similar income	15	0.00	678.23
Interest expense and similar charges		0.00	662.7
Net Interest income		0.00	15.53
Commissions and other income	15	3,327,449.42	2,101,215.36
Commissions and other cost	16	1,782,810.93	1,109,035.66
Net gains/(losses) from financial operations at fair value through profit or loss	17	(270.56)	(2,094.90)
Other operating income/ (losses)	19	12,560.18	121,797.65
Total operating income		1,556,928.11	1,111,897.98
Personnel Costs	20	170,069.31	127,523.08
Administrative costs	21	993,517.19	578,417.35
Amortisations and depreciations	6 e 7	22,697.24	17,352.89
Impairment of receivables (losses/gains)	18	0.00	338.25
Earnings before taxes (EBT)		370,644.37	388,266.41
Income Tax	22	53,635.44	86,874.11
Net income/(loss) for the period		317,008.93	301,392.30



STATEMENT OF CASH FLOWS

For the period ended 31-12-2019

In Euros (€)

RUBRICS	NOTES	PERIOD	
		ANO 2019	ANO 2018
<u>CASH FLOWS ARISING FROM OPERATING ACTIVITIES</u>			
Receipts from customers	+	3,339,424.36	2,101,947.96
Payments to suppliers	-	2,820,756.36	1,601,817.72
Payments to employees	-	155,894.01	129,863.89
CASH FLOWS		362,773.99	370,266.35
Income taxes (paid)/received		(86,064.31)	(116,982.40)
Other payments/receipts		(1,019,270.52)	1,544,796.60
Net Cash for operating activities (1)		(742,560.84)	1,798,080.55
<u>CASH FLOWS ARISING FROM INVESTING ACTIVITIES</u>			
Payments to:			
Property, plant and equipment		198,969.87	406,296.28
Intangible assets		0.00	7,787.95
Financial investments		907.87	0.00
Receivables from:			
Financial investments		0.00	149,718.87
Other assets		0.00	34,624.8
Interests and other similar costs		0.00	903.49
Net Cash for investing activities (2)		(199,877.74)	(228,837,07)
<u>CASH FLOWS ARISING FROM FINANCING ACTIVITIES</u>			
Payments to:			
Repayment from borrowings		0.00	0.50
Interests and other similar costs		0.00	1,485.82
Dividends		90,000.00	78,045.48
Net Cash for Financing Activities (3)		(90,000.00)	(79,531.80)
Net increase in cash and cash equivalents (1+2+3)		(1,032,438.58)	1,489,711.68
Cash and equivalents at the beginning of the period	4.	2,340,432.89	850,721.21
Cash and equivalents at the end of the period	4.	1,307,994.31	2,340,432.89



Statement of changes in Equity

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 2018

DESCRIPTION	Notes	Issued Capital	Legal and statutory	Other	Retained	Net income for the period	Total equity
POSITION AT THE BEGINNING OF THE PERIOD 2018	1	125,000.00			240,758.96	0.00	365,758.96
Results' application			12,713.48	150,000.00	(162,713.48)		0.00
NET INCOME FOR THE PERIOD	2 3 4=2+3	0.00	12,713.48	150,000.00	(162,713.48)	0.00	0.00
						301,392.30	301,392.30
						301,392.30	301,392.30
DIVIDENDS	13	0.00			(78,045.48)		(78,045.48)
	5	0.00			(78,045.48)	0.00	(78,045.48)
POSITION ATE THE END OF THE PERIOD 2018	6=1+2+3+5	125,000.00	12,713.48	150,000.00	0.00	301,392.30	589,105.78

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 2019

DESCRIPTION	Notes	Issued Capital	Legal and statutory reserves	Other reserves	Retained earnings	Net income for the period	Total equity
POSITION AT THE BEGINNING OF THE PERIOD 2019	6	125,000.00	12,713.48	150,000.00	301,392.30	0.00	589,105.78
Results application		0.00	211,392.30	0.00	(211,392.30)	0.00	0.00
NET INCOME FOR THE PERIOD	7 8 9=7+8	0.00	211,392.30	0.00	(211,392.30)	0.00	0.00
						317,008.93	317,008.93
						317,008.93	317,008.93
DIVIDENS	13	125,000.00		(125,000.00)	(90,000.00)		0.00 (90,000.00)
	10	125,000.00	0.00	(125,000.00)	(90,000.00)		(90,000.00)
POSITION ATE THE END OF THE PERIOD 2019	6+7+8+10	250,000.00	224,105.78	25,000.00	0.00	317,008.93	816,114.75

