ClickandBuy International Limited

Registered in England and Wales
No. 5661160

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 December 2020

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Strategic Report

The directors present their strategic report on ClickandBuy International Limited (the "Company") for the year ended 31 December 2020.

Review of the business

The Company previously provided the Deutsche Telekom Group's Group Innovation division with online payment and card issuing products and services. By delivering these products and services, ClickandBuy was part of Deutsche Telekom Group strategy to serve merchants with a holistic portfolio of payment and commerce offerings in a "Business-to-Business-to-Consumer (B2B2C)" market.

With the Shareholder´s resolution of 29 October 2015 it was concluded to terminate the operating business of the subsidiaries of ClickandBuy Holding GmbH by the end of March 2017.

The shareholder´s resolution comprised:

- The termination of the eWallet business as of 30 April 2016 incl. the termination of active eMoney accounts
- The termination of the MyWallet Card business as of 30 June 2016 incl. the termination of all credit card accounts
- The termination of Business Relationships with external service providers as of 31 December 2016

The ClickandBuy Group including the company set up a project to implement this decision which successfully met the above mentioned deadlines.

All employees were laid off by 31 December 2016. Based on the service contract with its shareholder ClickandBuy Holding GmbH the company implemented the so-called Wind-Down Organisation to fulfil the continuing regulatory requirements for hosting eMoney funds for six years after termination of the respective accounts.

Principal Risks and Uncertainties

Until closing of the business the principal risks associated with the business were certain types of attempted fraud and potential breaches of data security. Fraud and Money Laundering risk was mitigated by dedicated anti-fraud and anti-money laundering (AML) departments utilising highly skilled and experienced fraud managers, fraud detection technologies and AML professionals.

The Company's financial risk management was supported by the central risk management function of the Deutsche Telekom Group.

Strategic Report (continued)

With implementation of the Wind-Down Organisation the necessary processes were implemented to mitigate the fraud and potential breaches of data security risks as well as Money Laundering.

Until closing of the business the primary financial risks and uncertainties affecting the Company were considered to be as follows:

Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the Company does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their obligations.

Market risk

The majority of market risks arise as a result of foreign exchange rates. The Company's income is exposed to movements in the foreign exchange rate on balances held with banks to fund the transactions between internet merchants and end user customers.

As the eMoney licence was ceased as of 12 August 2016 on request of the company by the FCA no capital requirements exist and no reporting to the Financial Conduct Authority ("FCA") is necessary anymore except to fully safeguard the eMoney deposits for six years after account termination.

To cover the liquidity risk the company deposited the respective eMoney liability in full on a restricted bank account to safeguard the repayment of the eMoney liability in full.
Bad debt allowances have been recognised to provide for credit risks from the failure of customers to meet their obligations.

Therefore after the closing of active operations the Company´s remaining financial risks are dominated by steadily declining market risks arising from foreign exchange rate fluctuations.

Results and dividends

The operating profit for the financial year of 2020 amounted to EUR 153,579 (EUR 196,417 for the 12-month period from 1 January to 31 December 2019) with equity of EUR 3,554,565 at 31 December 2020 (EUR 3,414,662 as of 31 December 2019).

The Directors do not recommend the payment of a dividend (2019: EUR nil).

Strategic Report (continued)

KPI for the years presented in the financial statements was as follows:

	Year ended 31 December 2020	Year ended 31 December 2019
Gross Profit	EUR 188,924	EUR 268,134

On behalf of the Board

Christopher Dunscombe

28 July 2021

Report of the Directors

The Directors submit their report together with the audited Financial Statements for the year ended 31 December 2020. The comparatives are for the 12-month period from 1 January to 31 December 2019.

Principal activities

ClickandBuy International Limited (the "Company"), is a private company limited by shares incorporated in the United Kingdom on 22 December 2005, was a FCA licensed electronic money ("e-money") institution. The Company was granted its licence to issue e-money by the FSA in the United Kingdom on 29 November 2006. The Company passported its services into all 29 other EEA states under the rules governing Cross Border Services. Due to a change in the European regulatory framework, on 1 July 2011 the Company grandfathered its electronic money licensing under the Electronic Money Regulations 2011, resulting in a change of registered number and the ability to increase its range of regulated payment and non-payment related services. Until 30 April 2016 subject to legal and risk-based restrictions, where permitted, e-money was issued into an electronic wallet which may be subsequently used by individuals for purchase of goods, digital content or services.

This licence was ceased as of 12 August 2016 on request of the company by the FCA in the course of closing the business and implementing the Wind-Down Organisation.

For future periods the Company will continue to wind down these operations.

Since 15 June 2020 ClickandBuy International Limited is a 100% subsidiary of CBS GmbH (CBS), Bonn, Germany, incorporated in the commercial register of the district court (Amtsgericht) of Bonn under No. HRB 22947, CBS in turn is a 100% subsidiary of ClickandBuy Holding GmbH being merged with its mother company Deutsche Telekom AG (DTAG) in 2020.

DTAG is one of the largest providers of telecommunications and broadband services in Europe.

Creditors payment policy

The Company follows the global procurement guidelines of the Deutsche Telekom Group for its procurement activities.

Payables are mainly due to surfer, merchants and CreditCard Holder who did not recall their eMoney credits after termination of their accounts, CreditCards and merchant contracts in 2016.

Terms of payment with merchants are settled individually under the framework of the Company's GTC's (General Terms and Conditions).

Directors indemnities

As permitted by the Articles of Association, the Director has the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006, the indemnity was in force throughout the last financial year and at the date of approval of the financial statements.

Report of the Directors (continued)

Directors and their interests

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

- Ms Isabelle Sabaud (since 1 September 2018, until 29 February 2020)
- Mr Frank Stoffer (since 1 January 2017)
- Mr Christopher Dunscombe (since 01 December 2020)

No director had a material interest in any contract of significance to which the Company was a party.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006. Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable International Financial Reporting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Report of the Directors (continued)

Charitable and political Contributions

During 2020 the Company did not contribute any donations to charitable organisations (2019: nil) nor to political organisations (2019: nil).

Results and Dividends

In 2020 accumulated losses decreased from EUR 70,553,755 to EUR 70,413,852 resulting from profit attributable to equity shareholders of EUR 139,903 (in 2019: EUR 176,722).

The Directors do not recommend the payment of a dividend (2019: EUR nil).

Financial Risk Management

The Company's risk management focuses on the major areas of credit risk, liquidity risk and market risk, as described in the Strategic Report. Risk management is carried out by the central risk management function of the Deutsche Telekom AG. For details refer to note 23 to the financial statements.

Statement of going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out below. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. The Company's objectives, policies and processes for managing its capital are described in note 22 to the financial statements.

Details of the Company's financial risk management objectives, its financial instruments and hedging activities; and its exposures to credit risk, market risk and liquidity risk are set out in note 23 to the financial statements.

The positive equity position of EUR 3,414,662 as at 31 December 2019 has been increased by the net profit of EUR 139,903 resulting in a capital position of EUR 3,554,565 at 31 December 2020.

Based upon the above, and following an agreement reached with the Company´s former parent (ClickandBuy Holding GmbH) that from 1 January 2016 no charge will be made by fellow subsidiary, CBS GmbH for Maintenance, IT, Customer Care and Marketing Consulting Services provided to the Company, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future including the costs of closing the operational business. This agreement will be pursued by DTAG as universal successor of ClickandBuy Holding GmbH after the merger.

Accordingly, the Directors continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Report of the Directors (continued)

Post Balance Sheet events

There have been no events subsequent to 31 December 2020 that require disclosure in the financial statements.

Since the start of the Covid-19 pandemic the company has so far seen little impact on its business. Employees of fellow subsidiaries of the DTAG Group responsible for the administration of the business have been able to successfully work from home without loss of productivity.

The coronavirus pandemic has developed into a global economic crisis. Due to higher demand for certain telecommunications services, the impact of the crisis is being felt less severely by the telecommunications industry and Deutsche Telekom AG than by other industries. Business activities and thus the results of operations and financial position of Deutsche Telekom AG were impacted by the coronavirus pandemic in various business areas, affecting revenue and earnings, although not to any significant extent. Deutsche Telekom AG has put in place cost-saving measures to mitigate potential effects on earnings.

Statement on Disclosure of information to Auditors

In accordance with Companies Act requirements, the Directors in office, as at the date of this report, have confirmed so far as they are aware there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all reasonable steps necessary in order to make themself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

On behalf of the Board

Christopher Dunscombe

28 July 2021

ClickandBuy International Limited

Registered Office Address:
Building K2, Timbold Drive
Kents Hill
Milton Keynes
United Kingdom
MK7 6BZ

For reasons related to the calculations, rounding differences amounting to +/- one unit (EUR, % etc.) may occur.

Independent auditors' report to the members of ClickandBuy International Limited

Report on the audit of the financial statements

Opinion

In our opinion, ClickandBuy International Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2020; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 (UK) 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to manipulate financial results or conceal the misappropriation of assets and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- identifying and testing journal entries, in particular journal entries posted with unusual account combinations to income or customer accounts, and understanding and evaluating any significant transactions outside the normal course of business;
- enquiry of management and directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud; and
- assessing financial statement disclosures, and testing to supporting documentation, for compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Mark Allsop (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 July 2021

Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
Revenue	4	188,924	268,134
Gross profit		**188,924**	**268,134**
Other operating expenses		(1,718)	(1,936)
Administrative expenses		(71,159)	(42,954)
Profit/(Loss) on foreign exchange		37,532	(26,827)
Operating profit		**153,579**	**196,417**
Interest income	7	5,432	10,048
Interest expenses	7	(4,213)	(1,969)
Net Financial income		**1,219**	**8,079**
Profit before tax	**8**	**154,798**	**204,496**
Tax	9	**(14,895)**	**(27,774)**
Profit attributable to equity shareholders		**139,903**	**176,722**
Other comprehensive income		-	-
Total comprehensive income		**139,903**	**176,722**

The Total comprehensive income for the year arises from the Company's continuing operations.

Statement of Changes in Equity
For the year ended 31 December 2020

	Notes	Share Capital and Share Premium Reserves EUR	Accumulated Losses EUR	Total Equity EUR
At 1 January 2020		**73,968,417**	**(70,553,755)**	**3,414,662**
Changes in share capital		-	-	-
Changes in share premium reserves		-	-	-
Profit attributable to equity shareholders/Total comprehensive income for the year		-	139,903	139,903
At 31 December 2020	**17,18**	**73,968,417**	**(70,413,852)**	**3,554,565**

	Notes	Share Capital and Share Premium Reserves EUR	Accumulated Losses EUR	Total Equity EUR
At 1 January 2019		**73,968,417**	**(70,730,477)**	**3,237,940**
Changes in share capital		-	-	-
Changes in share premium reserves		-	-	-
Profit attributable to equity shareholders/Total comprehensive income for the year		-	176,722	176,722
At 31 December 2019	**17,18**	**73,968,417**	**(70,553,755)**	**3,414,662**

Statement of Financial Position
As at 31 December 2020

	Note	31 December 2020 EUR	31 December 2019 EUR
Non-current assets			
Other financial assets	11	1,902,660	1,906,080
Deferred Tax Assets	10	282,336	305,269
Total non-current assets		**2,184,996**	**2,211,349**
Current assets			
Receivables and other assets	12	3,000,000	3,000,000
Deferred Tax Assets	10	8,038	-
Cash	13	466,156	596,039
Total current assets		**3,474,194**	**3,596,039**
Current liabilities			
Trade and other payables	14	(2,054,210)	(2,306,906)
Other accruals	15	(50,415)	(85,820)
Total current liabilities		**(2,104,625)**	**(2,392,726)**
Net current assets		**1,369,569**	**1,203,313**
Net assets		**3,554,565**	**3,414,662**
Equity			
Share capital	17	1,858,332	1,858,332
Share premium reserves	17	72,110,085	72,110,085
Accumulated losses	18	(70,413,852)	(70,553,755)
Total equity attributable to equity holders of the Company		**3,554,565**	**3,414,662**

The notes on pages 15 to 33 form part of these financial statements.

The Financial Statements for ClickandBuy International Limited (Company No. 5661160) on pages 11 to 33 were approved by the Board of Directors on 28 July 2021 and signed on its behalf by:

Director

Christopher Dunscombe

Cash Flow Statement
For the year ended 31 December 2020

	Note	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
Net cash generated from operating activities	19	**65,478**	**117,371**
Investing activities			
Decrease/(Increase) of non-current financial assets		3,420	(2,280)
Net cash generated from/(used in) investing activities		**3,420**	**(2,280)**
Financing activities			
Balance of interest received		5,432	10,048
Balance of interest paid		(4,213)	(1,969)
Net cash flow generated from financing activities		**1,219**	**8,079**
Net increase in cash and cash equivalents		**70,117**	**123,170**
Cash and cash equivalents at the beginning of the year	13	**3,396,039**	**3,272,869**
Cash and cash equivalents at the end of the year	**13**	**3,466,156**	**3,396,039**

Notes to the Financial Statements for the year ended 31 December 2020

1. Accounting Policies

The principal accounting policies applied in the preparation of the Financial Statements are set out below. These policies have been consistently applied throughout the period, unless otherwise stated.

Basis of preparation

The Financial Statements comprising the 12-month-period from 1 January to 31 December 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") in conformity with the requirements of the Companies Act 2006 that are effective at the Company's reporting date. The Financial Statements have been prepared under the historical cost convention on the going concern basis and in accordance with the Companies Act 2006 as applicable to companies using IFRS and IFRIC interpretations.

2. Application of new and revised International Financial Reporting Standards

All new and amended standards and interpretations published by the IASB and IFRIC are applied in preparing the Financial Statements, provided they are required to be applied for annual periods beginning on or after 1 January 2020 within the European Union.

In 2020, adoption of the following new interpretations and amendments to existing standards and interpretations is mandatory:

- Amendments to References to the Conceptual Framework in IFRS Standards
    - effective for annuals beginning on or after 1 January 2020
- Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
    - Definition of Material
    - effective for annuals beginning on or after 1 January 2020
- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures"
    - Interest Rate Benchmark Reform
    - effective for annuals beginning on or after 1 January 2020
- Amendments to IFRS 3 "Business Combinations"
    - Definition of a Business
    - effective for annuals beginning on or after 1 January 2020
- Amendments to IFRS 16 "Leases"
    - COVID 19-related Rent Concessions
    - effective from 1 June 2020 for annuals beginning on or after 1 January 2020

However, the adoption of the interpretations and amendments to standards stated above has no material effect on the financial statements of the Company as at 31 December 2020.

2. Application of new and revised International Financial Reporting Standards (continued)

The following standards and amendments to standards are not effective for periods ending 31 December 2020, but will be effective for later periods and have not been applied in preparing these financial statements.

IFRS Standards/Amendments endorsed by the EU

- Amendments to IFRS 4 "Insurance Contracts"
  - Deferral of IFRS 9
  - effective for annuals beginning on or after 1 January 2021
- Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures" and IFRS 16 "Leases"
  - Interest Rate Benchmark Reform - Phase 2
  - effective for annuals beginning on or after 1 January 2021

IFRS Standards/Amendments not yet endorsed by the EU

- Amendments to IFRS 16 "Leases"
  - COVID 19-related Rent Concessions beyond 30 June 2021
  - effective for annuals beginning on or after 1 April 2021
- Amendments to IAS 1 "Presentation of Financial Statements"
  - Classification of Liabilities as Current or Non-current
  - effective for annuals beginning on or after 1 January 2023
- Amendments to IFRS 3 "Business Combinations"
  - Reference to the Conceptual Framework
  - effective for annuals beginning on or after 1 January 2022
- Amendments to IAS 16 "Property, Plant and Equipment"
  - Proceeds before Intended Use
  - effective for annuals beginning on or after 1 January 2022
- Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"
  - Onerous Contracts - Cost of Fulfilling a Contract
  - effective for annuals beginning on or after 1 January 2022
- Annual Improvements Project
  - Annual Improvements to IFRS Standards 2018-2020 Cycle
  - effective for annuals beginning on or after 1 January 2022
- IFRS 17 "Insurance Contracts"
  - effective for annuals beginning on or after 1 January 2023
- Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2
  - Disclosure of Accounting Policies
  - effective for annuals beginning on or after 1 January 2023
- Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
  - Definition of Accounting Estimates
  - effective for annuals beginning on or after 1 January 2023

2. Application of new and revised International Financial Reporting Standards (continued)

- Amendments to IAS 12 "Income Taxes"
  - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
  - *effective for annuals beginning on or after* 1 January 2023

The future application of these standards and interpretations is unlikely to have any material effect on the net asset position, cash flows or profitability of the Company.

3. Significant Accounting Policies

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue with end-users is recognised as the service is rendered when it is probable that the economic benefits associated with a transaction will flow to the Company and the amount of revenue can be reliably measured. Account maintenance charges are recognised on remaining accounts for the period until a customer formally requests the closure of the account or the balance of the account is exhausted.

Interest

Since 2017, due to the termination of the payment services, the Company recognises interest income or expenses in total within the financial result compared to previous years where the interest income related to the eMoney storage operations was recognised as sales revenues or in case of interest expenses under the cost of sales.

Financial Instruments

Financial instruments are recognized as soon as ClickandBuy International Limited becomes a party to the contractual regulations of the financial instrument. However, in the case of regular way purchase or sale, the settlement date is relevant for the initial recognition and derecognition. This is the day on which the asset is delivered to or by the Company.

Financial assets include cash and cash equivalents, trade receivables, originated loans and other receivables. They are measured at fair value upon initial recognition. For all financial assets not subsequently measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition are taken into account. plus, in the case of debt instruments, a loss account for expected credit losses. The fair values recognized in the statement of financial position are generally based on market prices of the financial assets. If these are not available, the fair value is determined using standard valuation models on the basis of current market parameters. For the classification and measurement of debt

3. Significant Accounting Policies (continued)

instruments held, the respective business model for managing the debt instruments and whether the instruments have the characteristics of a standard loan, i.e., whether the cash flows are solely payments of principal and interest, is relevant. Assuming the assets have these characteristics and if the business model is to hold to collect the asset's contractual cash flows, they are measured at amortized cost.

Cash and cash equivalents include cash at bank and in hand.

Trade receivables and originated loans and other receivables are measured at their transaction price at initial recognition.

Financial liabilities are measured at fair value on initial recognition. For all financial liabilities not subsequently measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition are also a component of the carrying amount.

At initial recognition, debt instruments that are not measured at fair value through profit or loss are measured including a loss allowance account for expected **credit losses**. For trade receivables without a significant financing component, the loss allowance is calculated at an amount equal to the lifetime expected credit losses. For all other instruments, the loss allowance is determined at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Otherwise, the loss allowance is calculated at an amount equal to twelve-month expected credit losses. In this case, losses incurred later than twelve months after the reporting date would therefore not be considered.

When a loss allowance for expected credit losses is being determined, the probability of default is derived from market data.

The loss allowance takes adequate account of the future expected credit risk; write-offs lead to the derecognition of the respective receivables. For allowances, financial assets are grouped together on the basis of similar credit risk characteristics, tested collectively for impairment, and written off, if necessary. The cash flows are discounted on the basis of the weighted average of the original effective interest rates of the financial assets in the relevant portfolio.

Provisions

Provisions are liabilities where the amount or timing of future expenditure is uncertain.

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the obligation. If the time value of money is material, provisions are discounted to their present value.

3. Significant Accounting Policies (continued)

Taxation

Current tax is the expected net tax payable arising in the current year on the current year's net profits, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is the expected net tax payable on the current year's net profits arising in a future year, using tax rates enacted or substantively enacted at the balance sheet date that are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Full provision is made for deferred taxation on all taxable temporary differences. Deferred tax assets and liabilities are recognised separately on the balance sheet. Deferred tax assets are recognised only to the extent that they are expected to be recoverable.

The Company was profitable in 2020 and 2019, but had accumulated and carried forward substantial tax losses over prior years, so that no corporation tax has been incurred in 2020 and 2019.

Therefore the Company has recognised a deferred tax asset as of 31 December 2019 of EUR 305,269 which was utilised with EUR 14,895 as of 31 December 2020.

Retirement benefits

The Company did not employ any employees since 01 January 2017.

Foreign currencies

The Financial Statements of the Company are presented in Euros, which is the currency of the primary economic environment in which the Company operates (its functional currency).

In preparing the Financial Statements, monetary assets and liabilities denominated in non-functional currencies are translated into Euro at the exchange rates ruling at the balance sheet date.

Transactions in currencies other than the functional currency of the Company are translated at the exchange rate ruling at the date of transaction. Exchange differences arising on the settlement and on the retranslation of monetary items are included in the income statement for the period.

3. Significant Accounting Policies (continued)

The Company has applied the following exchange rates to sterling in preparing its Financial Statements in Euros:

	Financial Statements 31 December 2020 EUR	Financial Statements 31 December 2019 EUR
GBP		
FX Rate Balance Sheet Date	1.11352	1.17481
Average FX Rate	1.12417	1.13925

Exceptional items

Exceptional items are regarded as significant items of income and expense, which are separately disclosed by virtue of their size, incidence or nature to enable a full understanding of the Company's financial performance. Exceptional items include allowances for bad debt.

Gearing

Gearing is calculated as the net debt to equity ratio.

Net Debt is defined as long-term loans payable less cash and cash equivalents.

Equity includes all capital and reserves of the Company attributable to the equity holders of the Company.

Critical Accounting Estimates and Judgements

There are no positions of the financial statements that are considered to be critical accounting estimates or judgements.

Notes to the Financial Statements for the year ended 31 December 2020

4. Revenue

Sales are made up as follows:

	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
End-user fees	188,924	268,134
Total Sales	**188,924**	**268,134**

In the financial year 2020 the Company recorded total sales of EUR 188,924 representing a decline of EUR 79,210 compared to total sales for 2019 amounting to EUR 268,134.

Due to the termination of the ClickandBuy online payment services in 2016 the Company only charged maintenance fees for the retention of inactive and terminated accounts since 2017. The number of accounts with emoney credits is declining due to maintenance fees being charged.

5. Auditors' Remuneration

	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	27,378	26,754

6. Staff costs

As all remaining employees left the company on 31 December 2016 due to the termination of the payment services in 2016 the monthly average number of employees was 0 in 2020 and 2019.

The remuneration paid in 2019 and 2020 is related to subsequent expat payments related to one former employee who already left the company on 31 December 2016.

The aggregate remuneration comprised:

	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
Wages and salaries	7,248	5,721
Social Security costs	-	-
Other pension costs (defined contributions)	-	-
Total	**7,248**	**5,721**

The aggregate remuneration received by Directors and borne directly by the Company for the year was EUR 0 (2019: EUR 0).

Notes to the Financial Statements for the year ended 31 December 2020

7. Net financial income

The item is made up as follows:

	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
Other financial income	5,432	10,048
Other financial expenses	(4,213)	(1,969)
Total	**1,219**	**8,079**

8. Profit before Tax

	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
Profit before tax is stated after (crediting)/charging:		
Net foreign exchange (gains)/losses		
- Financial liabilities incl. loans payable measured at amortised cost	(40,461)	123
- Cash and cash equivalents	2,929	26,704
Total	**(37,532)**	**26,827**

9. Tax

At 1 January 2019	**333,043**
(Charged)/credited	-
DTA utilised in the year	(38,854)
Remeasurement of DTA	11,080
At 31 December 2019	**305,269**

At 1 January 2020	**305,269**
(Charged)/credited	-
DTA utilised in the year	(29,412)
Remeasurement of DTA	14,517
At 31 December 2020	**290,374**

The Company was profitable in 2020 and 2019, but had accumulated and carried forward substantial tax losses over prior years, so that no corporation tax has been incurred in 2020 and 2019.

A deferred tax asset of EUR 305,269 was recognised at 31 December 2019 based on the expected future profits up to 2022. EUR 14,895 of this deferred tax asset crystallised through the use of historic losses in the year ended 31 December 2020.

Notes to the Financial Statements for the year ended 31 December 2020

9. Tax (continued)

In 2020 EUR nil (2019: EUR nil) of Foreign Withholding Tax on interest in respect of prior years has been derecognised as irrecoverable.

	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
UK Corporation Tax	-	-
Current tax on income for the year	-	-
Adjustments in respect of prior years	-	-
Deferred taxation	-	-
Origination and reversal of temporary differences	-	-
Foreign withholding taxes	-	-
Irrecoverable current year withholding tax	-	-
Irrecoverable foreign withholding tax in respect of prior years	-	-
Total	**-**	**-**

Corporation tax is calculated at 19% (prior period 19%) of the estimated assessable profit of the year.

The charge for the year can be reconciled to the profit per the Statement of comprehensive income as follows:

	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
Profit before tax:	**154,798**	**204,496**
Corporate income tax rate applied	19%	19%
Corporation income tax calculated	29,412	38,854
Effect of expenses that are not deductible in determining income	-	-
Effect of utilised tax losses in the year	(29,412)	(38,854)
Total	**-**	**-**

Notes to the Financial Statements for the year ended 31 December 2020

10. Deferred tax asset

	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
Deferred tax assets - long-term	282,336	290,374
Deferred tax assets - short-term	8,038	14,895
Deferred tax assets at the end of the year	**290,374**	**305,269**

A deferred tax asset of EUR 305,269 was recognised at 31 December 2019 based on the expected future profits up to 2022. EUR 14,895 of this deferred tax asset crystallised through the use of historic losses in the year ended 31 December 2020.

Further long-term deferred tax assets of EUR 9,368,117 in regard of tax losses carried forward amounting to EUR 49,305,879 have not been recognised due to the limited business scope.

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

11. Other financial assets

	31 December 2020 EUR	31 December 2019 EUR
Other financial assets	1,902,660	1,906,080
Total	**1,902,660**	**1,906,080**

The company invested in July 2017 EUR 1,893,350 into Helaba (Landesbank Hessen Thüringen Girozentrale) bearer bonds with a nominal value of EUR 1,900,000, a nominal interest rate of 0.4% and a duration until 16 December 2021. In case of any liquidity needs the company may sell the bonds for the actual market price.

12. Receivables and other assets

	31 December 2020 EUR	31 December 2019 EUR
Trade receivables	665,822	668,803
Allowance for doubtful debts	(665,822)	(668,803)
Subtotal	-	-
Receivables due from affiliated companies	3,000,000	2,800,000
Other assets	-	200,000
Subtotal	3,000,000	3,000,000
Total	**3,000,000**	**3,000,000**

12. Receivables and other assets (continued)

The remaining trade receivables from merchants and surfer after the termination of the payment business are fully set off with an allowance for doubtful debts and handed over for collection to a collection agency.

Under other assets the money market loan of EUR 200,000 as of 31 December 2019 to Helaba (Landesbank Hessen Thüringen Girozentrale) with an original maturity of 1 year was not pronlonged.

The Company's maximum exposure to credit risk is the fair value of its receivables and other assets which is equal to the carrying value given the short term of the items.

Receivables due from affiliated companies comprises of EUR 3,000,000 in one 105-day money-market loan (2019: 104-day money-market loan of EUR 2,800,000) that comprise cash equivalents, see note 13.

See note 16 for further information on current amounts owed by group companies and note 23 for the Company's exposure to foreign exchange risk.

13. Cash and Cash equivalents

	31 December 2020 EUR	31 December 2019 EUR
Cash at bank and in hand	466,156	596,039
Cash equivalents - Money market loans to ultimate parent company	3,000,000	2,800,000
Total cash and cash equivalents	**3,466,156**	**3,396,039**
thereof included in receivables from affiliated companies	(3,000,000)	(2,800,000)
Total cash displayed in statement of financial position	**466,156**	**596,039**

Cash equivalents, comprising one 105 day money-market loan of EUR 3,000,000 as of 31 December 2020 (EUR 2,800,000 as of 31 December 2019) to the treasury of Deutsche Telekom AG, the ultimate parent company of ClickandBuy International Limited, as an element of the group´s cash management, have been displayed under receivables from affiliated companies in the financial statements.

Cash at bank and in hand at the year-end is denominated in EUR (EUR 428,132 as of 31 December 2020 and EUR 561,676 as of 31 December 2019 respectively), GBP (GBP 25,418/EUR 28,303 as of 31 December 2020 and GBP 20,236/EUR 23,774 as of 31 December 2019 respectively) and USD (USD 11,926/EUR 9,721 as of 31 December 2020 and USD 11,891/EUR 10,590 as of 31 December 2019 respectively).

Notes to the Financial Statements for the year ended 31 December 2020

14. Trade and other payables

	31 December 2020 EUR	31 December 2019 EUR
Trade payables	2,048,187	2,306,145
Other liabilities	6,023	761
Total	**2,054,210**	**2,306,906**

The decline in trade payables by EUR 257,958 from EUR 2,306,145 to EUR 2,048,187 is virtually completely due to the diminishing eMoney balances resulting from the termination of operating activities as a payment services provider.

15. Other accruals

Other accruals comprise of:

	31 December 2020 EUR	31 December 2019 EUR
Penalties / termination charges	-	676
Audit & tax consulting fees	33,447	68,176
Sundry accruals	16,968	16,968
Total	**50,415**	**85,820**

16. Related party transactions

The following schedules show the balances due from and to related parties as of 31 December 2020 and 31 December 2019:

Amounts due from Group Companies	31 December 2020 EUR	31 December 2019 EUR
Loans to Deutsche Telekom AG	3,000,000	2,800,000
Subtotal	**3,000,000**	**2,800,000**
Total	**3,000,000**	**2,800,000**

Current amounts owed by group companies are unsecured, interest free and repayable on demand.

The loan to Deutsche Telekom AG of EUR 3,000,000 (EUR 3,000,000 principal) in 2020 (EUR 2,800,000 thereof EUR 2,800,000 principal in 2019) comprises one 105 days renewable money-market loan, currently earning interest at up to 0%.

17. Share capital and share premium reserves

	Year ended 31 December 2020	Year ended 31 December 2019
Authorised shares	**Shares**	**Shares**
At the beginning of the year	1,301,008	1,301,008
Ordinary shares issued	-	-
At the end of the year	**1,301,008**	**1,301,008**
Issued and fully paid	**EUR**	**EUR**
At the beginning of the year	1,858,332	1,858,332
Ordinary share issue at GBP 1 each	-	-
At the end of the year	**1,858,332**	**1,858,332**
Share premium reserve	EUR	EUR
At the beginning of the year	72,110,085	72,110,085
Share premium increase / (reduction)	-	-
At the end of the year	**72,110,085**	**72,110,085**

The share capital of the Company is fully authorised.

There are no restrictions to any of the Ordinary shares in issue and all Ordinary shares carry equal voting rights.

18. Accumulated Losses

	Year ended 31 December 2020 EUR	Year ended 31 December 2019 EUR
Balance at the beginning of the year	**(70,553,755)**	**(70,730,477)**
Profit for the year	139,903	176,722
Balance at the end of the year	**(70,413,852)**	**(70,553,755)**

Notes to the Financial Statements for the year ended 31 December 2020

19. Net cash generated from operating activities

		Year ended 31 December 2020 EUR		Year ended 31 December 2019 EUR
Net profit before tax		154,798		204,496
Net interest income		(1,219)		(8,079)
Operating cash flows before movements in working capital		**153,579**		**196,417**
(Decrease)/Increase in other accruals		(35,405)		22,230
Decrease in trade receivables		-		-
Increase in accounts due from affiliated companies	(200,000)		(499,749)	
less increase in money market loans/cash equivalents	200,000		500,000	
		-		251
Decrease in other assets		200,000		200,714
Decrease in trade payables		(257,958)		(295,256)
Decrease in accounts due to affiliated companies		-		-
Increase/(Decrease) in other payables		5,262		(6,985)
Cash used in operations		**(88,101)**		**(79,046)**
Balance at the end of the period		**65,478**		**117,371**

Cash and cash equivalents comprise balances on current accounts and call money at banks, while money-market loans to affiliated companies are displayed under receivables from affiliates.

20. Parent company and controlling party

Since 15 June 2020 ClickandBuy International Limited is a 100% subsidiary of CBS GmbH (CBS), Bonn, Germany, incorporated in the commercial register of the district court (Amtsgericht) of Bonn under No. HRB 22947, CBS in turn is a 100% subsidiary of ClickandBuy Holding GmbH being merged with its mother company Deutsche Telekom AG (DTAG) in 2020.

Copies of all sets of group financial statements, which include the results of the Company, are available as download or printed versions via the Group´s website www.telekom.com/investor-relations.

The Directors did not have any related party transactions with the Company.

21. The Directors

The Directors as at 31 December 2020 have been Christopher Dunscombe and Frank Stoffer.

Christopher Dunscombe is executive director. Frank Stoffer is non-executive director.

Directors' emoluments are attributed to ClickandBuy International Limited according to the percentage of their contribution to the Company as stated below:

Directors as at 31 December 2020	Appointment/ (Resignation) Date	Percentage of Contribution	2020 Emoluments EUR	2019 Emoluments EUR
Isabelle Sabaud	01 September 2018 (29 February 2020)	0%	-	-
Christopher Dunscombe	01 December 2020	0%	-	-
Frank Stoffer	01 January 2017	0%	-	-

Isabelle Sabaud has been appointed as Executive Director respectively of the Company as of 1 September 2018, and resigned from being a Director on 29 February 2020.

Isabelle Sabaud was an executive of T-Systems Ltd. For her function as executive director of ClickandBuy International Limited, she received no additional remuneration aside from her regular salary, which was fully paid by T-Systems Ltd.

Christopher Dunscombe has been appointed as Executive Director respectively of the Company as of 1 December 2020.

Christopher Dunscombe is an executive of T-Systems Ltd. For his function as executive director of ClickandBuy International Limited, he receives no additional remuneration aside from his regular salary, which is fully paid by T-Systems Ltd.

Due to the termination of the operational payment services in 2016 and the reduction of the operations to the wind down organisation the Management estimates Isabelle Sabaud's and Chritopher Dunsccombe's operating contribution to ClickandBuy as negligible and therefore does not attribute their remuneration to the Company.

Frank Stoffer is an executive of Deutsche Telekom AG. For his function as non-executive director of ClickandBuy International Limited, he receives no additional remuneration aside from his regular salary, which is fully paid by Deutsche Telekom AG.

Due to his position as non-executive director, the Management estimates Frank Stoffer's operating contribution to ClickandBuy as negligible and therefore does not attribute his remuneration to the Company.

The Company's emoluments to past directors was EUR nil in 2020 (2019: EUR nil).

In 2020 EUR nil was paid in compensation for loss of office to leaving Directors' (2019: EUR nil).

22. Capital risk management

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

The capital structure of the Company consists of debt, cash and equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated losses as disclosed in notes 17 and 18.

It is managed with the aim of maintaining an appropriate level of financing available for the Company's activities and ensuring compliance with capital requirements existing for the Company as a former eMoney issuer within the United Kingdom.

Changes in equity arise from the retention of earnings and, from time to time, issues of share capital.

At the year end, capital comprised:

	31 December 2020 EUR	31 December 2019 EUR
Total equity	3,554,565	3,414,662
Net cash	(466,156)	(596,039)
Gross capital employed	**3,088,409**	**2,818,623**

There have been no significant changes in the Company's funding policy during the year.

Gearing Ratio

The Company's capital structure is reviewed on a monthly basis. The debt/equity ratio at year end is as follows:

	31 December 2020 EUR	31 December 2019 EUR
Loans payable	-	-
Less: cash and cash equivalents	(466,156)	(596,039)
Net debt	(466,156)	(596,039)
Equity	3,554,565	3,414,662
Net debt to equity ratio	**- 13.1%**	**-17.5%**

Net Debt is defined as long-term loans payable, less cash and cash equivalents as detailed in note 13.

Equity includes all capital and reserves of the Company attributable to equity holders of the Company.

22. Capital risk management (continued)

In the past ClickandBuy International Limited, as an eMoney institution, has been bound to capital requirements imposed by the FCA, stating that the Company must at all times maintain own funds, that are calculated in accordance with the regulations and amounting to not less than EUR 350,000 or 2% of outstanding eMoney – whichever was higher.

Although its eMoney licence was ceased as of 12 August 2016 by the FCA on request of the Company in the course of closing the business and implementing the Wind-Down Organisation, the monitoring of own funds available to cover eMoney outstanding is continued.

23. Financial risk management

The Company's risk management focuses on the major areas of credit risk, liquidity risk and market risk. Risk management is carried out by the central risk management function of the Deutsche Telekom AG.

Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their obligations.

The Company's principal financial assets are bank balances and cash, trade and other receivables and amounts owed by other members of the Group. For trade and other receivables, refer to note 12 and for amounts owed by other members of the Group refer to note 16.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned in note 12.

The carrying amounts of current financial assets and liabilities are a reasonable approximation of their fair values, as the impact of discounting is not significant.

Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the Company does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

Notes to the Financial Statements for the year ended 31 December 2020

23. Financial risk management (continued)

The following table details the Company's remaining maturity for its financial liabilities.

At 31 December 2020	On demand	Up to 3 months	3-12 months	1-5 years and over 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Trade accounts payable	2,048,187	-	-	-	2,048,187
Other liabilities	6,023	-	-	-	6,023
Total	**2,054,210**	**-**	**-**	**-**	**2,054,210**

At 31 December 2019	On demand	Up to 3 months	3-12 months	1-5 years and over 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Trade accounts payable	2,306,145	-	-	-	2,306,145
Other liabilities	761	-	-	-	761
Total	**2,306,906**	**-**	**-**	**-**	**2,306,906**

Due to the short-term nature of the payables and receivables above, the fair value of these instruments is believed to approximate its stated nominal value.

Market risk

Market risk is defined as the risk of loss as a result of adverse changes in risk factors including foreign exchange rates.

The majority of market risk arises as a result of fluctuations in foreign exchange rates. The Company's income is generally exposed to movements in the foreign exchange rate on balances held with banks to fund the residual eMoney liabilities.

Due to the termination of the payment services of the Company in 2016 all foreign currency accounts with banks except in USD (EUR 9,721) and GBP (EUR 28,303), which represent only 8.2 % of the cash and only 1.1 % of all cash and cash equivalents, were closed.

Therefore, the management does not regard the foreign exchange rate risk as a risk to the Company anymore.

24. Operating Leases

All operating leases contracts have been terminated on 31 December 2016.