

EXUS SOFTWARE LIMITED

CONSOLIDATED
FINANCIAL STATEMENTS

31 DECEMBER 2020

EXUS SOFTWARE LIMITED

COMPANY INFORMATION

Directors

Georgios Konstantinidis
Michail Melachroinidis
David Rampling (resigned 28 February 2021)
Pedros Ktori (appointed 26 March 2021)

Registered number

07932357

Registered office

4 Felstead Gardens
Cubitt Town
London
E14 3BS

Independent auditors

MHA Macintyre Hudson
Chartered Accountants & Statutory Auditors
6th Floor
2 London Wall Place
London
EC2Y 5AU

Accountants

Armstrong Watson LLP
Fairview House
Victoria Place
Carlisle
Cumbria
CA1 1HP

Bankers

HSBC Plc
1 South Place
The Helicon
London
EC2M 2UP

Natwest Bank Plc
26 Spring Street
Tyburnia
London
W2 1JA

Piraeus Bank S.A
Tower 42
25 Old Broad Street
London
EC2N 1PB

EXUS SOFTWARE LIMITED

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EXUS SOFTWARE LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present their Strategic Report on Exus Software Ltd ("the group") for the year ended 31 December 2020.

Business review

The company's principal product is the EXUS Financial Suite ("EFS"), a software product that supports financial entities worldwide to improve their results. EFS is trusted by risk professionals in more than 32 countries worldwide and supports a broad spectrum of customers to improve their debt collections by introducing simplicity and intelligence in their business processes through state-of-the-art technology.

Due to the global COVID-19 virus pandemic and the severe restrictions on international travel, the company had to stop all on-site installations. Remote installation technology was enabled and the company was able to continue to operate effectively during the lockdown periods. However project delivery periods lengthened and this is reflected in a decrease in turnover in the year of 4.3%.

Taking into account the COVID-19 virus pandemic and its impact on the global market and the operations of the group, the group made a pre-tax profit of €39,717 in 2020 (2019 - €830,332). At 31 December 2020 the group had a net asset position of €1,923,719 (2019 - €1,126,190). Similarly the company made a pre-tax profit of €90,281 in 2020 (2019 - €583,247) and had a net asset position of €1,935,110 (2019 - €1,086,998) at the reporting date.

In 2020, the company signed two new contracts in the UK and continued expand its base in SE Asia, Europe and the Middle East. Three new grants with the European Commission were approved for EXUS Software M.E.P.E. and the group either coordinated or participated in a total eighteen grants in 2020.

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks, principally credit risk and liquidity risk. The financial risks are monitored regularly by the finance department and at meetings of the Board.

Credit risk

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to customers. Risk control assesses the credit quality of the customer receivables by taking into account their financial positions, past experience and other factors. The Company uses credit risk insurance as a further mitigation tool.

Liquidity risk

The company monitors cash flow against budgets and flexed forecasts that are designed to ensure it has sufficient available funds for operations and planned expansions.

COVID-19 pandemic

At the date of the signature of the 2020 Annual Report and Financial Statements the company does not expect any significant effect on its operations as a result of the COVID-19 pandemic or the Brexit and does not foresee any change in its future outlook.

Financial key performance indicators

The Key Performance Indicators (KPIs) are as follows:

31.12.2020 31.12.2019

Sales growth (Turnover) -4.3% 20.2%

Profit before tax €39,717 €830,332

Capital reserves €1,923,719 €1,126,190

EXUS SOFTWARE LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Other key performance indicators

The number of employees at group level (EXUS Software LTD and EXUS Software MEPE) is an important KPI that the board systematically monitors.

31.12.2020 31.12.2019

Total average number of employees (group) 72 59

Section 172 statement

Section 172 of the Companies Act 2006 requires directors of an entity to act in the way they consider, in good faith, would be most likely to promote the success of the entity for the benefit of its members as a whole. As part of their deliberations and decision-making process, the directors take into account the following:

- (I) Likely consequences of any decision in the long term;
- (II) The interests of the Company's employees;
- (III) The need to foster the Company's business relationships with suppliers, customers and others;
- (IV) The impact of the Company's operations on the community and the environment; and
- (V) The desirability of the entity maintaining a reputation for high standards of business conduct.

The directors recognise that building strong relationships with stakeholders will help deliver the group's strategy in line with its long-term values and is committed to effective engagement with company's stakeholders.

Accordingly, the directors require management to ensure that all stakeholder interests are considered in the group's day to day management and operations and seek to understand the relative interests and priorities of the various stakeholders and to have regard to these in their decision making.

As a result of these activities, the directors believe that they have demonstrated compliance with their legal duty under s.172 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Georgios Konstantinidis

Director

Date: 17 September 2021

EXUS SOFTWARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the group throughout the current and previous year was the research and development of enterprise software products primarily selling to customers in the UK, Europe, Middle East and South East Asia, together with the provision of corresponding project delivery and customer support services as well as grant funded innovation research activities. The group operates from the company in the UK, which includes its Athens Branch ("the company"), and Exus Software M.E.P.E. a 100% subsidiary company located in Athens.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to €399,563 (2019 - €290,098).

The directors do not recommend the payment of a dividend. The profit for the financial year will therefore be taken to reserves.

Directors

The directors who served during the year were:

Georgios Konstantinidis
Michail Melachroinidis
David Rampling

Future developments

The company is committed to the continuous research and development of its product, EXUS Financial Suite (EFS), to maintain its position as the best-in-class debt collection and recovery software. The COVID-19 pandemic compelled the company to move to remote operating and installation of EFS which was implemented seamlessly and effectively. Due to the success of this strategy, it is expected to continue with remote working until the global COVID-19 outlook becomes more stable.

The company does not envisage any major changes to its operations or organisation in the near future and it will continue in its efforts to expand its footprint in the geographical areas where it already has a successful presence.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

EXUS SOFTWARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Post balance sheet events

On 16 March 2021 53,178 Ordinary A shares of €1.20294 each were transferred to Piraeus Bank Holdings Limited from Piraeus Bank S.A.

Auditors

The auditors, MHA Macintyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Georgios Konstantinidis

Director

Date: 17 September 2021

EXUS SOFTWARE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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 the group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EXUS SOFTWARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXUS SOFTWARE LIMITED

Opinion

We have audited the financial statements of Exus Software Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the consolidated Statement of Income and Retained Earnings, the consolidated and company Statements of Financial Position and notes to the financial statements and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's (the 'FRC's') Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of going concern basis of accounting in preparation of financial statements is not appropriate; or
- the directors have not disclosed in the financial statements and identified material uncertainties that may cast significant doubt about the group or parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXUS SOFTWARE LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

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 in respect of these matters.

Report on other legal and regulatory requirements

Opinions on other matters as prescribed by the Companies Act 2006. In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report. We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXUS SOFTWARE LIMITED (CONTINUED)

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 Group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the group and parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the group and parent company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and parent company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Rakesh Shaunak (Senior Statutory Auditor)

for and on behalf of

MHA Macintyre Hudson

Statutory Auditors

6th Floor

2 London Wall Place

London

EC2Y 5AU

17 September 2021

EXUS SOFTWARE LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020 €	2019 €
Turnover	4	6,081,335	6,354,931
Cost of sales		(4,529,885)	(4,550,738)
Gross profit		1,551,450	1,804,193
Administrative expenses		(1,548,462)	(973,691)
Other operating income	5	46,451	-
Operating profit	6	49,439	830,502
Interest payable and expenses	10	(9,722)	(170)
Profit before tax		39,717	830,332
Tax on profit	11	757,812	(251,294)
Profit after tax		797,529	579,038
Retained earnings at the beginning of the year		499,995	209,897
Profit for the year attributable to the owners of the parent		399,563	290,098
Retained earnings at the end of the year		899,558	499,995
Non-controlling interest at the beginning of the year		497,999	209,059
Profit for the year attributable to the non-controlling interest		397,966	288,940
Non-controlling interest at the end of the year		895,965	497,999

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of income and retained earnings.

The notes on pages 15 to 34 form part of these financial statements.

EXUS SOFTWARE LIMITED
REGISTERED NUMBER: 07932357

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 €	2019 €
Fixed assets			
Intangible assets	12	83,893	167,783
Tangible assets	13	125,692	21,765
		<u>209,585</u>	<u>189,548</u>
Current assets			
Debtors: amounts falling due within one year	15	2,715,765	2,837,195
Cash at bank and in hand	16	13,581,105	6,003,347
		<u>16,296,870</u>	<u>8,840,542</u>
Creditors: amounts falling due within one year	17	(12,872,253)	(6,931,106)
Net current assets		<u>3,424,617</u>	<u>1,909,436</u>
Total assets less current liabilities		<u>3,634,202</u>	<u>2,098,984</u>
Creditors: amounts falling due after more than one year	18	(1,707,153)	(970,439)
Provisions for liabilities			
Deferred taxation	20	(3,330)	(2,355)
		<u>(3,330)</u>	<u>(2,355)</u>
Net assets		<u><u>1,923,719</u></u>	<u><u>1,126,190</u></u>

EXUS SOFTWARE LIMITED
REGISTERED NUMBER: 07932357

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 €	2019 €
Capital and reserves			
Called up share capital	21	128,196	128,196
Profit and loss account	22	899,558	499,995
Equity attributable to owners of the parent company		<u>1,027,754</u>	<u>628,191</u>
Non-controlling interests		895,965	497,999
		<u><u>1,923,719</u></u>	<u><u>1,126,190</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Georgios Konstantinidis
Director

Date: 17 September 2021

The notes on pages 15 to 34 form part of these financial statements.

EXUS SOFTWARE LIMITED
REGISTERED NUMBER: 07932357

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 €	2019 €
Fixed assets			
Intangible assets	12	83,709	167,783
Tangible assets	13	17,670	12,397
Investments	14	41,000	6,000
		<hr/>	<hr/>
		142,379	186,180
Current assets			
Debtors: amounts falling due within one year	15	2,710,759	2,857,676
Cash at bank and in hand	16	5,197,188	5,446,755
		<hr/>	<hr/>
		7,907,947	8,304,431
Creditors: amounts falling due within one year	17	(4,436,413)	(6,430,819)
		<hr/>	<hr/>
Net current assets		3,471,534	1,873,612
		<hr/>	<hr/>
Total assets less current liabilities		3,613,913	2,059,792
		<hr/>	<hr/>
Creditors: amounts falling due after more than one year	18	(1,675,473)	(970,439)
Provisions for liabilities			
Deferred taxation	20	(3,330)	(2,355)
		<hr/>	<hr/>
		(3,330)	(2,355)
		<hr/>	<hr/>
Net assets		1,935,110	1,086,998
		<hr/>	<hr/>

EXUS SOFTWARE LIMITED
REGISTERED NUMBER: 07932357

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 €	2019 €
Capital and reserves			
Called up share capital	21	128,196	128,196
Profit and loss account brought forward		958,821	626,846
Profit for the year		848,093	331,956
Profit and loss account carried forward		1,806,914	958,802
		<u>1,935,110</u>	<u>1,086,998</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Georgios Konstantinidis
Director

Date: 17 September 2021

The notes on pages 15 to 34 form part of these financial statements.

EXUS SOFTWARE LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 €	2019 €
Cash flows from operating activities		
Profit for the financial year	49,439	830,502
Adjustments for:		
Amortisation of intangible assets	83,891	83,891
Depreciation of tangible assets	17,912	4,539
Government grants	(46,451)	-
Decrease/(increase) in debtors	274,835	(640,615)
Increase in creditors	5,048,561	4,855,218
Corporation tax received	541,156	5,573
Net cash generated from operating activities	5,969,343	5,139,108
Cash flows from investing activities		
Purchase of tangible fixed assets	(121,839)	(13,711)
Government grants received	46,451	-
Net cash from investing activities	(75,388)	(13,711)
Cash flows from financing activities		
New secured loans	1,693,525	-
Interest paid	(9,722)	(170)
Net cash used in financing activities	1,683,803	(170)
Net increase in cash and cash equivalents	7,577,758	5,125,227
Cash and cash equivalents at beginning of year	6,003,347	878,120
Cash and cash equivalents at the end of year	13,581,105	6,003,347
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	13,581,105	6,003,347
	13,581,105	6,003,347

The notes on pages 15 to 34 form part of these financial statements.

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Exus Software Ltd (the company) is a private company limited by shares incorporated and domiciled in England & Wales, its company registration number is 07932357. Its registered office is 4 Felstead Gardens, Cubitt Town, London E14 3BS.

The principal activity of the group throughout the current and previous year was the supply and implementation of software products, primarily selling to customers in the rest of Europe and the Middle East, serviced from the company in the UK, which includes the Exus Software Branch located in Athens, and Exus Software M.E.P.E, a subsidiary of the company also located in Athens.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Going concern

On 11 March 2020 the World Health Organisation declared Covid-19, a strain of the coronavirus, a world pandemic. On 21 March 2020 the UK Government enforced a stop on non-essential trade and travel so the group had to adapt operationally. The severe restrictions in movement in both the UK and Greece meant that the group had to utilise technology to facilitating remote working and installations in order to continue trade.

The group took advantage of the state aid available in both the UK and Greece as a result of the pandemic, including a discretionary grant received from the UK government totalling €11,308 and office rent relief from the Greek government totalling €25,600. The group also received financing in the form of two loans which were made available as a result of the pandemic, both of which had a repayment holiday from the point of draw down resulting in interest relief totalling €9,543.

The group has net current assets of €3,425k and net assets of €1,924k, following a consolidated profit in the period of €797k.

Consolidated revenue decreased by €274k to €6,081k. Whilst the global pandemic has presented barriers to implementation, the group has still been able to service existing clients via remote technology.

The directors have revised their cash flow forecasts for the group, prudently removing the majority of the forecasted growth, but given that the nature of the software is to improve debt recovery it is likely to be in demand should these economies enter a recession. As previously discussed, remote installation technology has also enabled the group to continue to trade during the lockdown period, reducing the impact during the restrictive period.

2.4 Foreign currency translation

Functional and presentation currency

The group's functional and presentational currency is Euro. The exchange rate at the reporting date was €1.1064 for every £1 (2019 - €1.1342).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Software products and implementation services

The group offers to its customers the products and services through the following models/contracts:

a. **Subscription model:** This involves (i) the annual/quarterly/monthly subscription fee for the license to use the software and the support and maintenance services and (ii) the fees for the project implementation services.

b. **Perpetual license model:** This involves (i) the license fee to use the software, (ii) the fees for the project implementation services, and (iii) the annual fees for support and maintenance

Beyond the above models, customers may order ad-hoc services that may include training, consulting, implementation of change requests etc.

Subscription fees are recognised on a pro-rata basis.

Perpetual licence fees are recognised as revenue upon product shipment, provided a signed agreement is in place, fees are fixed or determinable, no significant vendor obligations remain and collection of the resulting debt is deemed probable. Fees from licences sold together with consulting services are generally recognised upon shipment provided that the above criteria have been met and payment of the licence fees are not dependent on the performance of the consulting services. In instances where a significant vendor obligation exists, revenue recognition is delayed until the obligation has been satisfied. No revenue is recognised for multiple deliveries or multiple element products if an element of the contract remains undelivered and is essential to the functionality of the elements already delivered.

Where these criteria are not met, both the licence and consulting fees are recognised under the percentage completion method of accounting.

Implementation and customisation fees are recognised as revenue on a percentage of completion basis over the period from delivery of the product to customer acceptance. The degree of completion of a contract is measured using the costs incurred to date or milestones reached, depending upon the nature of the individual contract and the most appropriate measure of the percentage of completion. Losses on contracts are recognised as soon as a loss is foreseen by reference to the estimated costs of completion.

Maintenance fees generally call for the group to provide technical support to customers. Revenue on technical support is recognised on a pro-rata basis over the contract period. Payments for maintenance fees are generally made in advance and are non-refundable.

Revenue from other services that may be ordered by a customer, eg: training, change requests, consulting, etc is recognised as the services are performed.

Revenue also includes, where applicable, the expenses and disbursements recoverable from customers.

Grant-funded development income

Grant-funded development income is accounted for under the accrual model. Revenue is recognised when the grant has been earned, it can be matched with corresponding development

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Revenue (continued)

expenditure, which is recognised as an expense when incurred and there is no likelihood that the income will be refundable at any time. Income received not meeting these criteria is included in current and non-current liabilities.

Sale of rights

The group owns and develops intellectual property and revenue from the sale of intellectual property is recognised upon electronic delivery to the customer, provided a signed agreement is in place.

Market research

The group conducts market research for its own use and for sale. Revenue from these sales is recognised when the research has been concluded.

2.6 Cost of sales

Cost of sales represents payroll and other employee expenses and amounts payable for services rendered directly related to software supply and implementation services, and grant funded development income.

2.7 Administration expenses

Administration expenses, which are recognised on an accruals basis, include all indirect payroll costs and related employee expenses and general administration expenses which cannot be allocated directly to software sales and implementation services or grant funded development expenditure.

2.8 Operating leases: the group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Income and Retained Earnings in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.14 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

2.15 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.16 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	5 years straight line
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2.17 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods detailed below.

Depreciation is provided on the following basis:

Office equipment	- 2 year straight line / 20% reducing balance
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.19 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.20 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.21 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.23 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

Impairment of debtors - the group makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Implementation and customisation fees - these are recognised as revenue on a percentage of completion basis over the period from delivery of the product to customer acceptance. The degree of completion of a contract is measured using the costs incurred to date or milestones reached, depending upon the nature of the individual contract and the most appropriate measure of the percentage of completion. Losses on contracts are recognised as soon as a loss is foreseen by reference to the estimated costs of completion.

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 €	2019 €
Support and maintenance fees	653,950	1,057,789
Implementation and licence fees	3,011,121	3,308,821
Research and development fees	2,416,264	1,988,321
	<u>6,081,335</u>	<u>6,354,931</u>

Analysis of turnover by country of destination:

	2020 €	2019 €
United Kingdom	158,043	-
Rest of Europe	4,373,516	3,908,847
Rest of the world	1,549,776	2,446,084
	<u>6,081,335</u>	<u>6,354,931</u>

5. Other operating income

	2020 €	2019 €
Government grants receivable	<u>46,451</u>	<u>-</u>

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Operating profit

The operating profit is stated after charging:

	2020 €	2019 €
Staff costs		
Wages and salaries	2,892,290	2,275,266
Social security costs	675,107	527,316
Pension costs	5,037	4,249
Other staff costs	95,985	17,651
	<u>3,668,419</u>	<u>867,675</u>
Auditors remuneration	13,102	10,912
Exchange differences	85,919	(11,712)
Operating lease rentals	145,964	188,907
Amortisation (note 12)	83,891	83,891
Depreciation (note 13)	<u>17,912</u>	<u>4,539</u>

7. Auditors' remuneration

	2020 €	2019 €
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>13,102</u>	<u>10,912</u>

8. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
London	6	6	6	6
Athens	66	53	34	42
	<u>72</u>	<u>59</u>	<u>40</u>	<u>48</u>

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Directors' remuneration

	2020	2019
	€	€
Directors' emoluments	<u>210,877</u>	<u>212,917</u>

The highest paid director received remuneration of €126,080 (2019 - €128,120).

10. Interest payable and similar expenses

	2020	2019
	€	€
Bank interest payable	<u>9,722</u>	<u>170</u>

11. Taxation

	2020	2019
	€	€
Corporation tax		
Current tax on profits for the year	(217,631)	49,398
Adjustments in respect of previous periods	(541,156)	(42,930)
	<u>(758,787)</u>	<u>6,468</u>
Total current tax	<u>(758,787)</u>	<u>6,468</u>
Deferred tax		
Origination and reversal of timing differences	975	244,826
Total deferred tax	<u>975</u>	<u>244,826</u>
Taxation on (loss)/profit on ordinary activities	<u>(757,812)</u>	<u>251,294</u>

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 €	2019 €
Profit on ordinary activities before tax	<u>91,136</u>	<u>583,247</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	17,316	110,817
Effects of:		
Capital allowances for year in excess of depreciation	(974)	37
Adjustments to tax charge in respect of prior periods	(541,156)	(42,930)
Short term timing difference leading to an increase (decrease) in taxation	975	244,826
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(217,631)	(117,206)
Double taxation relief	(15,605)	-
Other differences leading to an increase (decrease) in the tax charge	(737)	55,750
Total tax charge for the year	<u>(757,812)</u>	<u>251,294</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Intangible assets

Group and Company

	Software €
Cost	
At 1 January 2020	1,099,894
At 31 December 2020	1,099,894
Amortisation	
At 1 January 2020	932,110
Charge for the year on owned assets	83,891
At 31 December 2020	1,016,001
Net book value	
At 31 December 2020	83,893
At 31 December 2019	167,784

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible assets

Group

	Office equipment €
Cost or valuation	
At 1 January 2020	32,570
Additions	121,839
	<hr/>
At 31 December 2020	154,409
	<hr/>
Depreciation	
At 1 January 2020	10,805
Charge for the year on owned assets	17,912
	<hr/>
At 31 December 2020	28,717
	<hr/>
Net book value	
At 31 December 2020	<u>125,692</u>
At 31 December 2019	<u>21,765</u>

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. Tangible assets (continued)

Company

	Office equipment €
Cost or valuation	
At 1 January 2020	22,995
Additions	15,613
	<hr/>
At 31 December 2020	38,608
	<hr/>
Depreciation	
At 1 January 2020	10,598
Charge for the year on owned assets	10,340
	<hr/>
At 31 December 2020	20,938
	<hr/>
Net book value	
At 31 December 2020	<u>17,670</u>
At 31 December 2019	<u>12,397</u>

EXUS SOFTWARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Investments

Company

	Investments in subsidiary companies €
Cost or valuation	
At 1 January 2020	6,000
Additions	35,000
	<hr/>
At 31 December 2020	41,000

Investments in subsidiary companies relates to a 100% shareholding in Exus Software M.E.P.E, a company incorporated in Greece, its registered office address being Estias 1 & Mesogeion Ave 73-75, 115 26 Athens, Greece. The subsidiary has been included within the consolidation and was acquired to hold non-executive rights to the company's alltaguest source code.

15. Debtors

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Trade debtors	1,485,521	1,875,675	1,485,461	1,875,119
Other debtors	822,817	446,664	822,817	467,701
Prepayments and accrued income	155,969	30,388	151,023	30,388
Grants receivable	251,458	484,468	251,458	484,468
	<hr/>	<hr/>	<hr/>	<hr/>
	2,715,765	2,837,195	2,710,759	2,857,676

Included within prepayments and accrued income is €92,277 (2019 - €nil) in relation to an open ended guarantee with MSB Bank Vietnam issued by NatWest Bank Plc on 3 June 2020 which is secured by way of a charge over the assets of the parent company.

16. Cash and cash equivalents

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Cash at bank and in hand	13,581,105	6,003,347	5,197,188	5,446,755

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Creditors: Amounts falling due within one year

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Bank loans	55,395	-	55,395	-
Trade creditors	581,155	987,070	116,890	535,782
Deferred grant income	3,861,078	1,845,576	876,153	1,845,576
Other taxation and social security	464,425	214,570	163,198	165,571
Other creditors	1,792	125,938	768,800	125,938
Accruals and deferred income	7,908,408	3,757,952	2,455,977	3,757,952
	<u>12,872,253</u>	<u>6,931,106</u>	<u>4,436,413</u>	<u>6,430,819</u>

The following liabilities were secured:

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Bank loans	55,395	-	55,395	-
	<u>55,395</u>	<u>-</u>	<u>55,395</u>	<u>-</u>

Details of security provided:

Company bank loans are secured by way of a fixed and floating charge over the assets of the parent company.

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Creditors: Amounts falling due after more than one year

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Bank loans	1,638,131	-	1,606,451	-
Accruals and deferred income	69,022	970,439	69,022	970,439
	<u>1,707,153</u>	<u>970,439</u>	<u>1,675,473</u>	<u>970,439</u>

The following liabilities were secured:

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Bank loans	<u>1,606,451</u>	<u>-</u>	<u>1,606,451</u>	<u>-</u>

Details of security provided:

Company bank loans are secured by way of a fixed and floating charge over the assets of the parent company. Subsidiary bank loans are not secured.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Repayable by instalments	<u>276,874</u>	<u>-</u>	<u>276,874</u>	<u>-</u>

Company bank loans include a new loan drawn down in the year of €1,661,846, however capital repayments will not commence until November 2021. The loan bears interest at 2.76% and is repayable over 6 years.

Subsidiary bank loans include a new loan drawn down in the year of €31,680, however capital repayments will not commence until January 2022. The loan bears interest at 1% and is repayable over 40 months.

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

19. Financial instruments

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Financial assets				
Cash at bank and in hand	13,581,105	6,003,347	5,197,188	5,446,755
Trade debtors	1,485,521	1,875,675	1,485,461	1,875,119
Grants receivable	251,458	484,468	251,458	484,468
	<u>15,318,084</u>	<u>8,363,490</u>	<u>6,934,107</u>	<u>7,806,342</u>
Financial liabilities				
Trade creditors	581,155	987,070	116,890	535,782
Bank loans	1,693,526	-	1,661,846	-
Grant funds due to partners	6,534,700	2,033,362	1,094,887	2,033,362
Accruals	54,903	404,323	44,903	404,323
	<u>8,864,284</u>	<u>3,424,755</u>	<u>2,918,526</u>	<u>2,973,467</u>

20. Deferred taxation

Group

	2020 €	2019 €
At beginning of year	2,355	(254,514)
Charged to profit or loss	975	256,869
At end of year	<u>3,330</u>	<u>2,355</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

20. Deferred taxation (continued)**Company**

	2020	2019
	€	€
At beginning of year	2,355	(254,514)
Charged to profit or loss	975	256,869
At end of year	<u>3,330</u>	<u>2,355</u>

	Group	Group	Company	Company
	2020	2019	2020	2019
	€	€	€	€
Accelerated capital allowances	<u>3,330</u>	<u>2,355</u>	<u>3,330</u>	<u>2,355</u>

21. Share capital

	2020	2019
	€	€
Allotted, called up and fully paid		
53,178 (2019 - 53,178) A shares shares of €1.20294 each	63,970	63,970
53,391 (2019 - 53,391) B Shares shares of €1.20294 each	64,226	64,226
	<u>128,196</u>	<u>128,196</u>

22. Reserves**Profit and loss account**

This reserve comprises of accumulated distributable profits and losses.

23. Pension commitments

The parent company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the parent company in an independently administered fund. The pension cost charge represents contributions payable by the parent company to the fund and amounted to €5,037 (2019 - €4,249). No contributions were payable to the fund at the reporting date (2019 - same).

EXUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

24. Commitments under operating leases

At 31 December 2020 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 €	Group 2019 €	Company 2020 €	Company 2019 €
Not later than 1 year	188,908	204,471	66,000	15,563
Later than 1 year and not later than 5 years	111,039	299,946	33,000	-
	<u>299,947</u>	<u>504,417</u>	<u>99,000</u>	<u>15,563</u>

25. Related party transactions

There were no related party transactions not conducted at arms length.

26. Controlling party

Piraeus Bank S.A. owns 49.9% of the parent company's issued share capital and Paveway Enterprises Limited (a special purpose entity incorporated in Cyprus) owns 50.1% of the parent company's issued share capital. There is no controlling shareholding in Paveway Enterprises Limited, whose registered office address is Akadimias, 21, Kema Building, Floor 9, Aglantzia 2107, Lefkosia, Cyprus.

The directors consider Paveway Enterprises Limited to be the ultimate parent undertaking and the ultimate controlling party on the basis of control.

27. COVID-19

On 11 March 2020 the COVID-19 virus pandemic struck globally. Following Government advice in both the UK and Greece territories, the group had to temporarily stop all onsite installations due to restrictions on movement to limit the spread of the virus.

The group has had access to technology which facilitates remote installation of its software, and as a result they have been able to continue to provide its services to its customers, albeit behind schedule.

Once the restrictions have fully eased, the group should be able to resume its growth strategy as the nature of the 'debt collection' software will be more sought after should there be a worldwide recession. No contracts have been lost during the lockdown period. However there is some revenue reduction risk due to delays in execution of projects as well as due to customers requesting discounts.

Please see accounting policy 2.3 to the accounts where the directors have outlined the financial implications of COVID-19 on the group, and why they deem the group a going concern.

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