

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

CONTENT

STATEMENT OF MANAGEMENT RESPONSIBILITIES.....	3
INDEPENDENT AUDITOR'S REPORT	4
STATEMENT OF FINANCIAL POSITION.....	6
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	7
STATEMENT OF CHANGES IN EQUITY	8
STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS.....	10
1. GENERAL INFORMATION	10
2. BASIS OF PREPARATION	10
3. SIGNIFICANT ACCOUNTING POLICIES.....	11
4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, ASSUMPTIONS	16
5. PROPERTY, PLANT AND EQUIPMENT	17
6. DEFERRED TAX ASSETS	17
7. INVENTORY	17
8. TRADE AND OTHER RECEIVABLES.....	17
9. CASH AND CASH EQUIVALENTS	18
10. SHARE CAPITAL	18
11. OTHER RESERVES	18
12. TRADE AND OTHER PAYABLES	18
13. REVENUE FROM SALES.....	18
14. COST OF GOODS SOLD, MATERIAL AND ENERGY	19
15. COST OF SERVICES	19
16. PERSONNEL EXPENSES.....	19
17. OTHER OPERATING EXPENSES	19
18. LEASE	19
19. FINANCE INCOME	19
20. FINANCE EXPENSES	19
21. OTHER NON-OPERATING EXPENSES.....	20
22. INCOME TAX BENEFIT/(EXPENSES), NET.....	20
23. CONTINGENCIES	20
24. TRANSACTIONS WITH RELATED PARTIES.....	20
25. FINANCIAL RISK MANAGEMENT	21
26. CAPITAL RISK MANAGEMENT	23
27. FAIR VALUE OF FINANCIAL INSTRUMENTS	23
28. SUBSEQUENT EVENTS	23

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

STATEMENT OF MANAGEMENT RESPONSIBILITIES

Management of SPAN LLC (the «Company») is responsible for preparation of the financial statements of the Company in accordance with International Financial Reporting Standards (IFRS) as adopted by EU.

While preparing these financial statements, the Management bears responsibility for the following issues:

- Selection of the appropriate accounting policies and their consistent application;
- Making judgments and estimates that are reasonable and prudent;
- Adherence to IFRS concepts or disclosure of all material departures from IFRS in the financial statement;
- Preparation of the financial statement on the going concern basis.

The Management confirms that it has complied with the above-mentioned principles in preparing the financial statements of the Company.

The Management is also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company;
- taking reasonable steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On 5 February 2021, CEO of SPAN LLC approved and authorized these financial statements for issue.



Oleg Avilov
CEO

INDEPENDENT AUDITOR'S REPORT

To the Owners and Management of SPAN LLC

Opinion

We have audited the financial statements of SPAN LLC (the Company), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by European Union (IFRS-EU).

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. As fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

The engagement partner on the audit resulting in this independent auditor's report is Artem Vorobiienko.

Partner
Crowe Erfolg Ukraine LLC

Artem Vorobiienko

8, Redutna str.
Kyiv, 01015, Ukraine
5 February 2021



SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

STATEMENT OF FINANCIAL POSITION

<i>In '000 HRK</i>	<i>Note</i>	31.12.2020	31.12.2019
Intangible assets		1	2
Property, plant and equipment	5	81	243
Deferred tax assets	6	477	309
Total non-current assets		559	554
Inventory	7	54	29
Trade and other receivables	8	4,096	2,182
Prepaid expenses		213	82
Cash and cash equivalents	9	3,195	4,830
Total current assets		7,558	7,123
Total assets		8,117	7,677
Share capital	10	4,678	4,678
Other reserves	11	51	516
Retained earnings		(4,020)	(2,338)
Total equity		709	2,856
Trade and other payables	12	7,408	4,821
Total current liabilities		7,408	4,821
Total equity and liabilities		8,117	7,677

On 5 February 2021 CEO of SPAN LLC approved and authorized these financial statements for issue.



Oleg Avilov
CEO

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>In '000 HRK</i>	<i>Note</i>	2020	2019
Revenue from sales	13	141,137	94,364
Total operating revenue		141,137	94,364
Cost of goods sold, material and energy	14	(130,296)	(87,728)
Cost of services	15	(3,333)	(1,924)
Personnel expenses	16	(7,806)	(5,806)
Depreciation		(176)	(200)
Other operating expenses	17	(804)	(889)
Total operating expenses		(142,415)	(96,547)
Finance income	19	2,015	3,017
Finance expenses	20	(2,334)	(1,002)
Net finance income/(expenses)		(319)	2,015
Other non-operating expenses	21	(354)	(979)
Profit/(loss) before tax		(1,951)	(1,147)
Income tax benefit/(expenses), net	22	269	(5)
Profit/(loss) for the period		(1,682)	(1,152)
Other comprehensive income		(465)	445
Total comprehensive income/(loss) for the period		(2,147)	(707)

On 5 February 2021, CEO of SPAN LLC approved and authorized these financial statements for issue.

Oleg Avilov
CEO

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

STATEMENT OF CHANGES IN EQUITY

<i>In '000 HRK</i>	Share capital	Other reserves	Retained earnings	Total equity
As at 31.12.2018	2,231	70	(1,168)	1,133
Share capital increase	2,447	1	(18)	2,430
Profit/(loss) for the year	-	-	(1,152)	(1,152)
Translation into presentation currency effect	-	445	-	445
As at 31.12.2019	4,678	516	(2,338)	2,856
Profit/(loss) for the year	-	-	(1,682)	(1,682)
Translation into presentation currency effect	-	(465)	-	(465)
As at 31.12.2020	4,678	51	(4,020)	709

On 5 February 2021, CEO of SPAN LLC approved and authorized these financial statements for issue.



Oleg Avilov
CEO

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

STATEMENT OF CASH FLOWS

<i>In '000 HRK</i>	<i>Note</i>	2020	2019
Cash flows from operating activities			
Profit/(loss) for the year		(1,682)	(1,152)
Adjustments on:			
Income tax expenses/(benefit)	22	(269)	5
Foreign exchange differences	19, 20	792	(1,743)
Finance income	19	(473)	(272)
Depreciation		176	200
Cash flow before changes in working capital		(1,456)	(2,962)
<i>Changes in working capital:</i>			
Trade and other receivables		(2,644)	(1,803)
Trade and other payables		3,300	2,649
Inventory		(36)	1,627
Prepaid expenses		(168)	(21)
Net cash from operating activities		(1,004)	(510)
Cash flows from investing activities			
Interests received	19	473	272
Acquisition of tangible and intangible assets		(55)	(241)
Net cash from investing activities		418	31
Cash flows from financing activities			
Proceeds from shares issued	10	-	2,447
Net cash from financing activities		-	2,447
Net change in cash and cash equivalents		(586)	1,968
Translation into presentation currency effect		(1,049)	723
Cash and cash equivalents at the beginning of the year	9	4,830	2,139
Cash and cash equivalents at the end of the year	9	3,195	4,830

On 5 February 2021, CEO of SPAN LLC approved and authorized these financial statements for issue.

Oleg Avilov
CEO

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

SPAN LLC (Ukraine) have incorporated on 30 August 2018 and fully domiciled in Ukraine. It is a member of SPAN Group.

Legal address of the registered office is 9, Naberezhno-Khreshchatyts'ka street, Kyiv, 04070.

SPAN is leading Croatian company in providing professional services in the design and development of information systems and technical user support for clients. SPAN has one of the most modern IT Service Desk, which provides support for system, network and hardware infrastructure users, as well as the personal computer end users 24 hours a day. As a respectable partner that Microsoft has chosen for collaboration, the development and testing of their products, SPAN expanded their expertise to all existing Microsoft solutions, most recently with a special emphasis on Microsoft Office 365 in combination with the Microsoft Windows Azure.

SPAN LLC is a part of SPAN and acts representative function and dealer of own SPAN solution as well as SPAN's partners (mostly – Microsoft) on the territory of Ukraine.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), as adopted by the European Union (EU).

These financial statements have been prepared on the basis of accounting policies, accounting estimates and assumptions are disclosed in Notes 2 and 3. These policies, accounting estimates and assumptions have been consistently applied to all years presented in these financial statements.

b) Basis of measurement

The financial statements have been prepared on a historical cost basis.

c) Functional and presentation currency

The financial statements are presented in Croatian Kuna (HRK) and all values are rounded to the nearest thousand ('000 HRK), except when otherwise indicated.

Ukrainian Hryvnia (UAH) is the Company's functional currency and items included in the financial statements are measured using the UAH.

Transactions in currencies other than the functional currency of the Company are treated as transactions in foreign currencies. Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The principal exchange rates used for presenting the financial statements in Croatian Kuna are as follows:

Currency	31.12.2020	Average 2020	31.12.2019.	Average 2019
UAH to HRK	4,6037	4,0851	3,5481	3,9013

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

d) Going concern

Financial statements have been prepared on an accrual basis, the effects of transactions and other events are recognized when incurred and are included in the financial statements for the period to which they refer, under going concern assumption.

e) Adoption of new and revised IFRSs

During the year ended 31 December 2020, the Company has adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations, are effective for annual periods beginning on or after 1 January 2020 and were adopted by the EU. This adoption did not have a material effect on the accounting policies of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Tangible assets

Tangible assets include the following assets: land, buildings, plant and equipment, tools, office equipment and vehicles and other tangible fixed assets.

Tangible assets are measured at cost, which includes purchase price, import duties and non-refundable taxes after discounts and rebates, any costs directly attributable to bringing the asset to its working condition for its intended use, the initial estimated cost of dismantling and removing asset and restoring the site on which the property is situated, for which the obligation for the Company occurs when the property is acquired or as a consequence of the use of the property during the period for purposes other than production of inventories during the period.

Borrowing costs that can be directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.

After initial recognition, the values of tangible assets are valued at cost less accumulated depreciation and any accumulated impairment losses. Land is not depreciated.

At each reporting date the Company assesses whether it is necessary to conduct asset impairment. Impairment is performed if the carrying amount of the asset exceeds the recoverable amount of the asset. The recoverable amount is the higher amount of fair value of net sales and value in use.

Subsequent costs are recognized in the cost only if the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method over their estimated useful lives.

The useful lives are reviewed at least at the end of each financial year and adjusted if appropriate. These changes represent a change in accounting estimates.

Gains or losses arising from disposal of tangible fixed assets are recognized in the Income statement when those assets are derecognized as other income or other expense, determined as the difference between the amount received for the alienated property, if any, and the carrying amount of assets.

Estimated useful lives of tangible assets are as follows:

Group of tangible assets	Years
IT equipment	2-5 years
Other equipment	2-5 years

The carrying value of the Company's assets are reviewed at each reporting date in respect of that there is any indication of impairment. If any such indication exists, the recoverable amount of assets is estimated.

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

b) Impairment of assets

At each reporting date, the Company reviews the carrying amounts of tangible and intangible assets to determine whether there are any indications for the impairment of these assets.

If such indication exists, the recoverable amount of the asset is estimated to determine the amount of the impairment loss (if any). For an asset that does not generate sufficient independent cash flows, the recoverable amount is estimated for the unit that generates cash flow, to which the individual asset belongs. Where it is not possible to estimate the recoverable amount of each individual asset, the Company estimates the recoverable amount for the unit that generates cash flow, to which the individual asset belongs.

In cases where the Company can identify a reasonable and consistent basis of allocation, the assets are also allocated to individual units that generate cash flows or are assigned to the smallest group of units that generate cash flows that can be identified by reasonable and consistent basis for the award.

Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually and whenever there are any indications for the impairment of such assets.

The recoverable amount is higher value of fair value less costs of sale and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset for which no allowances made an estimate of future cash flows.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognized in the Income statement as incurred.

c) Lease

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low-value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case The Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favor of The Company if it is reasonable certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated based on termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where The Company is contractually required to dismantle, remove or restore the leased asset.

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When The Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.

d) Financial instruments

The Company uses, in its operations, the basic financial instruments such as trade receivables, trade payables and other assets and liabilities.

Financial instruments within the assets are stated at nominal value, net of accumulated depreciation, if any, and the financial instruments within the liabilities are stated at nominal or redemption value, whichever is higher.

Management believes that the fair value of the total assets and liabilities in the statement of financial position are not materially different from their carrying value.

At initial recognition of the financial assets or financial liability the Company measures the asset or liability using fair value, which in case of financial asset or financial liability which is not carried at fair value through profit or loss increased by the transaction costs that are directly related to acquisition, or issue of financial asset or financial liability.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any allowance for impairment. Provision for impairment is established if there is objective evidence that the Company will not be able to collect all amounts due. Interest earned is reported in the Income statement as interest income.

Earned interest is presented in the income statement as part of interest income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on accounts at banks and in hand. The carrying values of cash and cash equivalents are, generally approximate their fair value.

Accounts payable and other liabilities

Trade payables and other payables are stated at nominal value, unless otherwise stated.

Impairment of financial assets

The financial assets, except inventory, are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount is net selling price or value in use, whichever is higher.

For an asset that does not generate sufficient independent cash flows, the recoverable amount is estimated for the unit that generates cash flow, to which the individual asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire; or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes the asset and associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognize financial assets and certain secured borrowings for receipts.

e) Inventory

The inventories of goods are valued at lower of cost or net realizable value. Net realizable value is the estimated selling price less all estimated costs of completion and costs of marketing, sales and distribution. The cost of sales is based on the FIFO method.

f) Share capital

Share capital is presented in Croatian Kuna using official exchange rate at the date of each transaction of share capital forming.

g) Other reserves

Other reserves including additional paid in capital and accumulated results of currency translation effect.

h) Accruals and prepayments

Accruals and prepayments are receivables and payables which have not fulfilled all necessary criteria for recognition of revenue or expense in the period and their recognition is expected in near future or income and expenses recognized in the current period based on the occurred transaction or event and for which not all the criteria was satisfied and their recognition is expected in near future.

i) Related parties

Related party is a person or an entrepreneur who is connected with the Company in following terms:

- Person or a close family member of that person is a related party of the Company if it has control or shared control over the reporting entrepreneur, or if it has a significant impact on the reporting entrepreneur or is member of the key management personnel of the reporting undertaking, or its parent company.
- The entrepreneur is associated with the Company when any of the following conditions is met:
 - i) the entrepreneur and the parent company are members of the same Group (which means that each parent company, each dependent and subsidiary is related to the others in the Group;
 - ii) an entrepreneur is a subsidiary or a shared entrepreneur of another entrepreneur (or firm associated with participating interest or shared venture of entrepreneurs who is a member of a Group whose member is the other entrepreneur);
 - iii) both entrepreneurs are joint ventures of the same third party;
 - iv) an entrepreneur is a joint venture of the third entrepreneur, and the other entrepreneur is a company related with participating interest of third entrepreneurs;entrepreneur is controlled or jointly controlled by persons listed under first criteria.

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

j) Revenue

Revenue is measured at fair value of the consideration received or receivable for the sale of goods or services in the ordinary course of business. Net revenues represent amounts from the sale of products and provision of services after deducting discounts and value added tax and other taxes directly related to revenue.

The Company recognizes revenue when the amount of revenue can be reliably measured, when the Company will have future economic benefits and when they met specific criteria for all the Company's activities as described below.

Services

Revenue from services is recognized in the period in which services are provided.

Revenue from the sale of goods

Revenue from the sale of goods are recognized in the income statement when the significant risks and rewards of ownership are transferred to the buyer. Revenues are stated net of value added tax (VAT), discounts and volume rebates. Provisions for rebates to customers are recognized in the same period that the related sales are recorded, based on contract terms.

Interest income

Interest income is accrued on a time basis, based on the principal outstanding and at the effective interest rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial assets.

k) Personnel expenses

In the course of regular business, when paying employees, the Company shall, on behalf of its employees, who are members of the pension fund, make regular payments of contributions in accordance with law. The Company does not have an additional pension plan and therefore has no other employee retirement obligations. In addition, the Company has no obligation to provide any other employee benefits after their retirement.

Liabilities for contributions to a mandatory pension fund are included as a cost in the statement of comprehensive income. The Company recognizes bonus provisions when there is a contractual obligation or past practice based on which the obligation has been incurred. The Company recognizes for unused holiday days at the date of the statement of financial position.

l) Finance income and expenses

Financial income comprises interest income and foreign exchange trading gains.

Financial expenses comprise interest expenses and foreign exchange trading losses.

m) Corporate income tax

Tax expense for the year comprises of current and deferred tax. Income tax is recognized in the income statement, except when it relates to items recognized directly in equity.

Current tax expense is calculated based on the tax laws in force or partially applied on the reporting date. Current and deferred taxes in these financial statements calculated based on 18% corporate income tax rate determined by Tax Code of Ukraine.

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

n) Provisions

A provision is recognized when the Company has a present obligation (legal or derivative) as a result of past events and it is likely that the outflow of funds will be required to settle this obligation and the amount of the liability can be reliably measured. Provisions are reviewed at the reporting date and are adjusted to the estimate based on the currently best available information. When the amount of decrease of cash value is significant, the amount of the provision is present value of the costs that are expected to arise in order to settle the obligation established by using the estimated risk-free interest rate as the discount rate. When discounting is used, each year the discounting effect is recorded as a financial expense and the carrying amount of the provision is increased each year for the past time.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, ASSUMPTIONS

a) Impairment of receivables

Trade receivables are estimated on each balance sheet date whether there is any evidence of impairment, based on the assessment of the likelihood that they will be offset by the carrying value of the assets. Each customer individually assessed on the basis of the expected date and amount of the charge and of any collateral. The Company believes that the trade receivables on the balance sheet date are stated at their realizable value.

b) Useful life of property, plant and equipment

The Company reconsiders the estimated useful life of property, plant and equipment at the end of each annual reporting period.

c) Deferred tax assets

Deferred tax assets for all accumulated losses are recognize in such amounts that could be accurately evaluated and could be used to cover future expected taxable profit. The Company reconsiders the possibility of accumulated losses usage and appropriate evaluation of deferred tax assets at the end of each annual reporting period.

d) Lease

As described in Note 18, the Company evaluates its current lease obligations and expenses as immaterial to recognize lease liability as well as right-of-use asset and short termination of lease agreement. The Company reconsiders amounts of lease liabilities and expenses for fully correspondence to IFRS 16 requirements at the recognition of each new lease agreement.

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

5. PROPERTY, PLANT AND EQUIPMENT

	IT equipment In '000 HRK	Other equipment In '000 HRK	Total PPE In '000 HRK
Cost			
As at 31.12.2018	163	36	199
Additions	112	127	239
Currency translation effect	45	20	65
As at 31.12.2019	320	183	503
Additions	46	6	52
Currency translation effect	(79)	(43)	(122)
As at 31.12.2020	287	146	433
Accumulated depreciation			
As at 31.12.2018	(12)	(19)	(31)
Charge for the period	(106)	(94)	(200)
Currency translation effect	(14)	(15)	(29)
As at 31.12.2019	(132)	(128)	(260)
Charge for the period	(151)	(21)	(172)
Currency translation effect	48	32	80
As at 31.12.2020	(235)	(117)	(352)
Net carrying amount			
As at 31.12.2018	151	17	168
As at 31.12.2019	188	55	243
As at 31.12.2020	52	29	81

Property, plant and equipment of the Company are not pledged and have no other restrictions of use.

The Company assures that carrying amount of property, plant and equipment is equal to its fair value due to a short period up to property, plant and equipment's acquisition dates.

6. DEFERRED TAX ASSETS

In '000 HRK	31.12.2020	31.12.2019
Deferred tax assets on tax losses carry forward	477	309
Total deferred tax assets	477	309

7. INVENTORY

In '000 HRK	31.12.2020	31.12.2019
Trading goods on stock	54	29
Total inventory	54	29

Trading goods on stock are mostly related to the software licenses (Microsoft) that are purchased for known customers.

8. TRADE AND OTHER RECEIVABLES

In '000 HRK	31.12.2020	31.12.2019
Trade receivables	3,369	1,364
Impairment of receivables	-	-
Net trade receivables	3,369	1,364
Other receivables	38	-
Advances given	672	815
VAT receivables	17	3
Total trade and other receivables	4,096	2,182

Ageing structure of net trade receivables is presented in Note 25.

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

9. CASH AND CASH EQUIVALENTS

<i>In '000 HRK</i>	31.12.2020	31.12.2019
Cash on bank accounts – UAH	2 894	1,168
Cash on bank accounts – foreign currency	301	45
Cash deposits – UAH	-	2,332
Cash deposits – foreign currency	-	1,222
Cash on VAT tax account – UAH	-	63
Total cash and cash equivalents	3,195	4,830

10. SHARE CAPITAL

Ultimate owner of the Company as at 31 December 2020 and 31 December 2019 is SPAN Public limited company for information system.

The Company was incorporated as at 30 August 2018 and initial share capital was HRK 2,231 thousand (equivalent of EUR 300 thousand or UAH 9,835 thousand).

Owners increased share capital of the Company as at 18 February 2019 by additional cash amounted HRK 1,111 thousand (equivalent of EUR 150 thousand or UAH 4,602 thousand).

Owners increased share capital of the Company as at 22 May 2019 by additional cash amounted HRK 1,336 thousand (equivalent of USD 200 thousand or UAH 5,241 thousand).

11. OTHER RESERVES

<i>In '000 HRK</i>	31.12.2020	31.12.2019
Additional paid capital	18	18
Currency translation reserve	33	498
Total other reserves	51	516

12. TRADE AND OTHER PAYABLES

<i>In '000 HRK</i>	31.12.2020	31.12.2019
Trade payables – domestic	1,678	26
Trade payables – foreign	3,834	3,082
Liabilities to employees	1,224	793
VAT liability	-	13
Taxes and contributions for employees' salary	-	165
Advance payables	672	742
Total trade and other payables	7,408	4,821

13. REVENUE FROM SALES

<i>In '000 HRK</i>	2020	2019
Sales of goods and services	139,095	92,732
Sales of hardware	1,363	1,410
Other revenue	679	222
Total revenue from sales	141,137	94,364

Structure of the Company's sales by geographical allocation is presented as follows:

<i>In '000 HRK</i>	2020	2019
Ukraine	130,500	94,364
Cyprus	5,408	-
Croatia	1,276	-
Italy	1,137	-
Other countries	2,816	-
Total revenue from sales	141,137	94,364

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

14. COST OF GOODS SOLD, MATERIAL AND ENERGY

<i>In '000 HRK</i>	2020	2019
Cost of goods sold	(130,242)	(87,653)
Office and similar material expenses	(54)	(75)
Total cost of goods, material and energy	(130,296)	(87,728)

15. COST OF SERVICES

<i>In '000 HRK</i>	2020	2019
Subcontractors' services	(2,442)	(283)
Rental and lease services	(288)	(707)
Intellectual and audit services	(264)	(523)
Marketing expenses	(128)	(256)
Other services	(211)	(155)
Total cost of services	(3,333)	(1,924)

16. PERSONNEL EXPENSES

<i>In '000 HRK</i>	2020	2019
Salaries, wages and bonuses	(6,780)	(5,093)
Contributions on salaries	(1,026)	(713)
Total personnel expenses	(7,806)	(5,806)

The average number of employees in the Company in 2020 was 26 (2019: 20).

17. OTHER OPERATING EXPENSES

<i>In '000 HRK</i>	2020	2019
Bank fees	(274)	(257)
VAT receivables write-off	(274)	(358)
Other	(256)	(274)
Total other operating expenses	(804)	(889)

Other operating expenses consist of business travels expenditures, other taxes, delivery services, office and equipment maintenance, etc.

18. LEASE

Total amount of lease expenses recognized in the statement of profit or loss and other comprehensive income amounted HRK 288 thousand in 2020 (2019: HRK 707 thousand). The most of lease expenses related to office rent with annual cost of USD 270 thousand and one-year termination. Management assures that the effect of lease liabilities and right-of-use assets recognition assets would have immaterial effect on Company's financial statements.

19. FINANCE INCOME

<i>In '000 HRK</i>	2020	2019
Gains from foreign exchange differences	1,542	2,745
Interest income on bank deposits	473	272
Total finance income	2,015	3,017

20. FINANCE EXPENSES

<i>In '000 HRK</i>	2020	2019
Losses from foreign exchange differences	(2,334)	(1,002)
Total finance expenses	(2,334)	(1,002)

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

21. OTHER NON-OPERATING EXPENSES

<i>In '000 HRK</i>	2020	2019
Consulting services	(151)	(701)
Non-recovered royalty expenses	(195)	(185)
Personal security services	-	(78)
Other	(8)	(15)
Total other non-operating expenses	(354)	(979)

Other non-operating expenses are tax-deductible according to the Tax Code of Ukraine.

22. INCOME TAX BENEFIT/(EXPENSES), NET

<i>In '000 HRK</i>	2020	2019
Current income tax for the period	-	-
Effect of deferred tax assets' changes	269	(5)
Total income tax benefit/(expenses), net	269	(5)

Reconciliation of corporate income tax is presented as follows:

<i>In '000 HRK</i>	2020	2019
Profit/(loss) before tax	(1,951)	(1,147)
Cost based on corporate income tax rate (18%)	351	206
Effect of non-deductible expenses	(82)	(211)
Accumulated losses carried forward	269	5
Recognition of deferred tax assets	(269)	(5)
Total income tax benefit/(expenses), net	269	(5)

23. CONTINGENCIES

(a) Off-balance sheet items

The Company had no contingent liabilities as at 31 December 2020 and 31 December 2019.

(b) Legal cases

The Company was not a party of any legal cases as at 31 December 2020 and 31 December 2019.

24. TRANSACTIONS WITH RELATED PARTIES

The ultimate controlling beneficial owner of the Company is Mr. Nikola Dujmovic.

According to existing criteria of determination of related parties, the related parties of the Company are divided into the following categories:

- Companies having participatory interests in the Company's share capital (SPAN Public limited company for information system);
- Key management personnel (Mr. Oleg Avilov).

The following transactions were carried out with related parties:

<i>In '000 HRK</i>	2020	2019
Cash proceeds for share capital	-	2,447
Purchases	(207)	(18)
Revenue from sales	1,276	
Net transactions with related parties	1,069	2,429

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

The outstanding balances with related parties were as follows:

<i>In '000 HRK</i>	31.12.2020	31.12.2019
Trade receivables	377	-
Trade payables	(50)	(18)
Liabilities to employees	(96)	-
Net balances with related parties	231	

Key Management personnel remuneration and benefits were represented as follows:

<i>In '000 HRK</i>	2020	2019
Salaries, wages and bonuses	714	715
Contributions on salaries	47	42
Personal security services	-	78
Total remuneration of Key Management	761	835

25. FINANCIAL RISK MANAGEMENT

The Company's financial instruments are represented by financial assets and financial liabilities. The Company's principal financial assets include trade and other receivables and cash that derive directly from its operations. The Company's principal financial liabilities consist of trade and other payables.

In its ordinary course of business, the Company is exposed to various financial risks, including the effects of changes in market prices and foreign currency exchange rates and related risks. The entire program of the Company's risk management focuses on the unpredictability of financial markets and seeks to adverse effects on the financial performance of the Company is reduced to a minimum.

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities.

The Company's maximum exposure to credit risk by the financial assets groups is presented below:

<i>In '000 HRK</i>	31.12.2020	31.12.2019
Trade receivables	3,369	1,364
Other receivables	38	-
Cash and cash equivalents	3,195	4,830
Total financial assets	6,602	6,194

Ageing structure of net trade receivables is presented below:

<i>In '000 HRK</i>	31.12.2020	31.12.2019
Not due	3,318	1,364
Overdue less 90 days	51	-
Total net trade receivables	3,369	1,364

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's approach to the management of liquid funds is based on ensuring that the Company has sufficient liquidity to perform its financial obligations when due. The Company monitors its risk to a shortage of funds using a liquidity planning tool.

SPAN LLC, Ukraine
IFRS Financial Statements for the year ended 31 December 2020

As at 31 December 2020 and 31 December 2019, all Company's financial assets and liabilities were current financial instruments with maturity less than one year. Agreed maturity of financial assets and liabilities is presented below:

<i>In '000 HRK</i>	31.12.2020	31.12.2019
Trade receivables	3,369	1,364
Other receivables	38	-
Cash and cash equivalents	3,195	4,830
Total financial assets	6,602	6,194
Trade and other payables	7,408	4,821
Less: advance payables	(672)	(742)
Total financial liabilities	6,736	4,079
Net liquidity	(134)	2,115

(c) Market risk

The Company is exposed to a risk of changes or rising prices of supportive services. Such risks are optimized with a number of business partners in order to avoid dependence on a single supplier and with an increasing competition of suppliers, the Company achieves favorable prices.

(d) Currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currencies, especially from change in rate of EUR, USD. Current policy of the Company does not include active hedging.

The table below summarizes the Company's exposure to foreign currency exchange rate risk of USD:

<i>In '000 HRK</i>	31.12.2020	31.12.2019
Trade receivables	31	-
Cash and cash equivalents	301	1,267
Trade payables	(3,802)	(3,082)
Net currency position – USD	(3,470)	(1,815)

The table below summarizes the Company's exposure to foreign currency exchange rate risk of EUR:

<i>In '000 HRK</i>	31.12.2020	31.12.2019
Trade receivables	377	-
Trade payables	(32)	-
Net currency position – EUR	345	-

The following table demonstrate the sensitivity to a reasonably possible change in EUR and USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities:

<i>In '000 HRK</i>	2020	2019
USD – 20%/ (10%)	(694)/347	(363)/182
EUR – 20%/ (10%)	69/(35)	-
Total effect – 20%/ (10%)	(625)/312	(363)/182

(e) Interest rate risk

The Company had no financial instruments with variable interest rates as at 31 December 2020 and 31 December 2019.

26. CAPITAL RISK MANAGEMENT

The Company manages its capital in such a way to ensure business continuity, while maximizing the return to stakeholders through the optimization of the balance of debt and equity. The capital structure of the Company consists of debt, which includes borrowings, cash and cash equivalents and equity, which include registered capital, reserves and retained earnings.

The Company had no other financing sources rather than share capital, so debt to equity ratio is 0%.

27. FAIR VALUE OF FINANCIAL INSTRUMENTS

At the reporting dates, the reported amounts of cash and cash equivalents, and trade and other receivables correspond to their market value due mainly to the short-term nature of the asset concerned and the corresponding interest rates that are approximately equal to market rates.

The presented amounts of trade and other payables, at the reporting dates, correspond to their market value due to the short-term nature of the above-mentioned liabilities.

Management of the Company assures that carrying amount of all Company's financial instruments is equal to its fair value.

28. SUBSEQUENT EVENTS

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including Ukraine, have implemented restrictions on travelling as well as strict quarantine measures. The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome. Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact on the Company. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will reassess it in case the period of disruption becomes prolonged.

No significant events occurred between the reporting date and the date of issue of these financial statements.