RichReach Corporation Public Ltd

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1st of January 2019 to 30th of June 2019

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BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Antonis Karitzis Christakis Ierides George Rousou Epaminondas Metaxas George Koufaris
Company Secretary	Karanto Secretarial Limited
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors Jean Nouvel Tower 6 Stasinou Avenue PO Box 21656 1511 Nicosia, Cyprus
Registered Office	Archiepiskopou Makariou III,228 Agios Pavlos Court,Block B' 4th floor, flat/office 411-412 3030, Limassol, Cyprus
Business Office	Office 402, 61A Larnakos Avenue 2101 Aglandjia, Nicosia, Cyprus
Registration number	HE 359049

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period from 1st of January 2019 to 30th of June 2019

	Note	01/01/2019 – 30/06/2019		01/01/2018 – 30/06/2018	
		Unaudited		Unaudited	
		€	Margin	€	Margin
Revenue	5	150,325		172,939	
Cost of Sales	6	(79,315)	(52.8%)	(103,053)	(59.6%)
Gross Profit		**71,010**	**47.2%**	**69,886**	**40.4%**
Selling and Distribution Expenses	7	(25,751)	(17.1%)	(58,638)	(33.9%)
Administrative Expenses	8	(47,479)	(31.6%)	(31,184)	(18.0%)
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)		**(2,220)**	**(1.5%)**	**(19,936)**	**(11.5%)**
Expenses relating to the listing of the Company's Shares at the Stock Exchange and Share Capital and Corporate Events	10	(24,079)	(16.0%)	(4,775)	(2.8%)
Finance Costs	11	(1,096)	(0.7%)	(580)	(0.3%)
Amortisation	13	(68,827)	(45.8%)	(58,456)	(33.8%)
Depreciation	15	(3,725)	(2.5%)	(5,719)	(3.3%)
Profit / (Loss) before Tax		**(99,947)**	**(66.5%)**	**(89,466)**	**(51.7%)**
Tax		-		-	
Profit / (Loss) after Tax		**(99,947)**	**(66.5%)**	**(89,466)**	**(51.7%)**
Profit / (Loss) per share attributable to the Shareholders of the Company (cents)	12	(0.90)		(0.80)	

The notes on pages 8 to 25 are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30th of June 2019

	as at Note	30/06/2019 Unaudited €	31/12/2018 Audited €
ASSETS			
Non-Current Assets			
RichReach Application	13	382,566	392,017
Equipment that support RichReach	15	21,712	24,125
Furniture & Office Equipment	15	6,437	7,151
Computer Hardware	15	3,798	2,104
Software & Infrastructure	13	180	360
Goodwill on Acquisition of Subsidiary	13, 14	159,701	159,701
Deferred Tax Assets		53,848	53,848
		628,242	639,306
Current Assets			
Trade and other Receivables	16	53,708	34,507
Cash and Cash Equivalents	17	62,088	1,954
		115,796	36,461
Total Assets		**744,038**	**675,767**
EQUITY AND LIABILITIES			
Equity			
Ordinary Share Capital	18	557,500	557,500
Share Premium		91,056	91,056
New Ordinary Share Capital Investment – Shares not yet allocated to subscribers	19	250,000	-
Accumulated Losses		(375,015)	(275,068)
		523,541	373,488
Current Liabilities			
Trade and other Payables	20	164,340	162,180
Payables to Related Parties	21	42,676	130,596
Borrowings	22	13,481	9,503
		220,497	302,279
Total Equity and Liabilities		**744,038**	**675,767**

On the 23rd of September 2019, the Board of Directors of RichReach Corporation Public Ltd authorised these unaudited consolidated financial statements for issue. Signed on behalf of the Board of Directors:

....
Christakis Ierides – Director

....
George Rousou – Director

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from 1st of January 2019 to 30th of June 2019

	Note	Share Capital	Share Premium	Investment Received – Shares not yet Allotted	Accumulated Losses	Total
		€	€	€	€	€
Balance at 1st of January 2018		**557,500**	**91,056**		**(119,499)**	**529,057**
Total Comprehensive Loss for the period					(89,466)	(89,466)
Balance at 30th of June 2018 / 1st of July 2018		**557,500**	**91,056**		**(208,965)**	**439,591**
Total Comprehensive Loss for the period					(66,103)	(66,103)
Balance at 31st December 2018 / 1st of January 2019		**557,500**	**91,056**		**(275,068)**	**373,488**
Raising of Share Capital				250,000		250,000
Total Comprehensive Loss for the period					(99,947)	(99,947)
Balance at 30th of June 2018		**557,500**	**91,056**	**250,000**	**(375,015)**	**523,541**

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 8 to 25 are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from 1st of January 2019 to 30th of June 2019

	Note	01/01/2019 – 30/06/2019 Unaudited	01/01/2018 – 30/06/2018 Unaudited
		€	€
Cash Flow from Operating Activities			
Net (Loss) / Profit before tax		(99,947)	(89,466)
Adjustments for:			
Depreciation		68,827	58,456
Amortisation		3,725	5,719
Interest Expense		277	-
		(27,118)	**(25,291)**
Changes in Working Capital			
Decrease / (Increase) in Trade Debtors and other Receivables		(19,202)	(7,604)
(Decrease) / Increase in Trade Creditors and other Payables		2,160	25,935
(Decrease) / Increase in Payables to related parties		12,081	22,310
Cash generated from Operations		**(32,079)**	**15,350**
Cash Flow from Investing Activities			
Investment in Intangible Fixed Assets		(59,196)	(12,887)
Investment in Tangible Fixed Assets through Business Combination		(2,292)	- - -
Net Cash used in Investing Activities		**(61,488)**	**(12,887)**
Cash Flow from Financing Activities			
Proceeds from new Share Capital Investment	19	150,000	- - -
Proceeds from Borrowings		9,878	- - -
Repayment of Borrowings		(5,900)	- - -
Interest Paid		(277)	- - -
Net Cash from Financing Activities		**153,701**	- - -
Net Increase / (Decrease) in Cash and Cash Equivalents		60,134	2,463
Cash and Cash Equivalents at the beginning of the year		1,954	3,008
Cash and Cash Equivalents at the end of the period		**62,088**	**5,471**

The notes on pages 8 to 25 are an integral part of these unaudited consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1st of January 2019 to 30th of June 2019

1. Corporate Information

Country of incorporation

RichReach Corporation Public Limited (the "Company") was incorporated in Cyprus on 11 August 2016 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Archiepiskopou Makariou III, 228, Agios Pavlos Court, Block B', 4th floor, Flat 411 412, 3030, Limassol, Cyprus.

Principal Activities

The principal activity of the Group is the development, support, licencing, operation and promotion of an application ecosystem that offers mobile phone application services to third parties.

Change of Company's Name

On 15 May 2019, eUmbrella Corporation (International) Public Ltd changed its name by Special Resolution to RichReach Corporation Public Ltd.

2. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company RichReach Corporation Public Limited and the financial statements of RichReach Corporation (CY) Ltd.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share based payment arrangements of the acquiree or share based payment arrangements of the Group entered into to replace share based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction by transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

2. Summary of Significant Accounting Policies (continued)

Business Combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

Revenue

Revenue from contracts with customers

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Control over goods sold and services rendered is transferred to the customer upon delivery of the respective products or service respectively. 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. Payment terms vary in line with the type of sales transactions and depend mainly on the products sold or services rendered, the distribution channels as well as each customer’s specifics.

The Group assesses whether it acts as a principal or agent in each of its revenue arrangements. The Group has concluded that in all sales transactions it acts as a principal.

Revenue is recognised as follows:

- **Provision of services**

  For sales of services, revenue is recognised in the accounting period in which the services are rendered, as the customer obtains control over the promised services, by reference to stage of completion of each specific performance obligation and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1st of January 2019 to 30th of June 2019

2. Summary of Significant Accounting Policies (continued)

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Property, Plant and Equipment

Property, plant and equipment are initially stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight line method, on the following bases:

	%
Furniture & Equipment	10
Computer Hardware	20
Machinery	10
Telephone systems	10

The depreciation method applied, assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. Summary of Significant Accounting Policies (continued)

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive income.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Internally Generated Intangible Assets – Research and Development Expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from the Group's e business development is recognised only if the Group can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that
- it will be available for use or sale
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally generated intangible assets are amortised on a straight line basis over their estimated useful lives. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in the consolidated statement of comprehensive income. During the period of development, the asset is tested for impairment annually. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised. The software platform is amortised using the straight line method over its useful life, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

Computer Software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

2. Summary of Significant Accounting Policies (continued)

Computer Software (continued)

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Financial Assets – Recognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial Assets – Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at Fair value through other comprehensive income at Fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. This election is made on an investment by investment basis.

2. Summary of Significant Accounting Policies (continued)

Financial Assets – Classification (continued)

All other financial assets are classified as measured at Fair value through profit or loss.

Financial Assets – Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial Assets – Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at Fair value through profit or loss are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in ‘other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income. Financial assets measured at amortised cost comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, and trade and other receivables.

These amounts generally arise from transactions within the usual operating activities of the Group. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at Fair value through other comprehensive income. Movements in the carrying amount are taken through Other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income. There are no financial assets measured at Fair value through other comprehensive income as at the year-end.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or Fair value through other comprehensive income are measured at Fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at Fair value through profit or loss is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises. There are no financial assets measured at Fair value through profit or loss as at the year-end.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in Other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the Fair value through other comprehensive income reserve is reclassified to retained earnings. The Group's policy is to designate equity investments as Fair value through other comprehensive income when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

2. Summary of Significant Accounting Policies (continued)

Financial Assets – Measurement (continued)

Changes in the fair value of financial assets at Fair value through profit or loss are recognised in "other gains/(losses)" in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at Fair value through other comprehensive income are not reported separately from other changes in fair value. There are no equity instruments as at the year-end.

Financial Assets – Impairment – Credit Loss Allowance for Expected Credit Losses

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses for debt instruments measured at amortised cost and Fair value through other comprehensive income. The Group measures expected credit losses and recognises credit loss allowance at each reporting date. The measurement of expected credit losses reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income within "net impairment losses on financial and contract assets".

Trade and other receivables and cash and cash equivalents measured at amortised cost are presented in the consolidated statement of financial position net of the allowance for expected credit losses.

For debt instruments at Fair value through other comprehensive income, an allowance for expected credit losses is recognised in profit or loss and it affects fair value gains or losses recognised in Other comprehensive income rather than the carrying amount of those instruments.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For trade receivables the Group applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Group applies general approach three stage model for impairment. The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their expected credit losses measured at an amount equal to the portion of lifetime expected credit losses that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months expected credit losses "). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its expected credit losses is measured based on expected credit losses on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime expected credit losses "). Refer to note 3, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit impaired, the asset is transferred to Stage 3 and its expected credit losses is measured as a Lifetime expected credit losses.

Trade Receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, lease contracts and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group defines default as a situation when the debtor is more than 90 days past due on its contractual payments. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

2. Summary of Significant Accounting Policies (continued)

Financial Assets – Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial Assets – Write Off

Financial assets are written off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write off represents a derecognition event. The Group may write off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and cash at bank with an original maturity of less than three months. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent Solely payments of principal and interest.

Financial Liabilities – Measurement Categories

Financial liabilities of the Group are initially recognised at fair value and classified as subsequently measured at amortised cost. Financial liabilities comprise trade payables, payables to related parties and borrowings.

Trade Payables
Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Share Capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Fair Values

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

3. Financial Risk Management Objectives and Policies

Financial risk factors

The Group is exposed to credit risk, liquidity risk and capital risk management arising from the financial instruments it holds.

3.1 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

3. Financial Risk Management Objectives and Policies (continued)

3.1 Credit Risk (continued)

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted. If customers are independently rated, these ratings are used.

Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

3.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The Group has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

3.3 Capital Risk Management

Capital includes equity shares and share premium.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions, in order to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's overall objectives, policies and processes remain unchanged from last year.

4. Critical Accounting Estimates, Judgments and Assumptions

The preparation of the Group's consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Group's accounting policies, Management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the consolidated financial statements:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made..

- **Impairment of intangible assets**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2019 to 30th of June 2019

4. Critical Accounting Estimates, Judgments and Assumptions (continued)

- **Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating units using a suitable discount rate in order to calculate present value.

5. Revenue

	01/01/2019 – 30/06/2019 Unaudited	01/01/2018 – 30/06/2018 Unaudited
	€	€
Horizontal Functions		
Marketing & Loyalty	7,665	1,620
Ordering	2,730	780
Trades, Professionals & Entertainment	-	1,849
Embedded and Branded Applications	10,000	-
Content & Monetisation Services	87,666	138,284
	108,061	**142,533**
Communication Functions		
Business Communications	7,543	5,450
Voice Services	9,721	17,491
	17,264	**22,941**
Other Revenue		
Business Digitalisation	25,000	-
Revenue Collections Fees Recovered		7,465
	25,000	7,465
Total Revenue	**150,325**	**172,939**

Segmental Analysis

The Group is organised into a single operating segment based on the services provided in Cyprus. The segment has similar characteristics in the nature of the process, type of end customers and distribution methods.

The Group's activities in Cyprus, include mainly the development, support, licensing, operation and promotion of software platform that offers mobile phone application services and the provision of telephony services to third parties. Management monitors the operating results of the business segment separately for the purposes of performance assessment and resource allocation.

6. Cost of Sales

	01/01/2019 – 30/06/2019 Unaudited	01/01/2018 – 30/06/2018 Unaudited
	€	€
RichReach Application		
Research & Development	20,186	21,560
Infrastructure	11,586	10,877
	31,772	**32,437**
Horizontal Functions		
Content & Monetisation Services	18,188	29,356
	18,188	**29,356**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2019 to 30th of June 2019

6. Cost of Sales (continued)

	01/01/2019 – 30/06/2019 Unaudited	01/01/2018 – 30/06/2018 Unaudited
	€	€
Other		
Business Digitalisation	7,407	-
Communication Functions	11,276	16,414
Revenue Collection Fees	10,672	24,846
	29,355	**41,260**
Total Cost of Sales	**79,315**	**103,053**

7. Selling and Distribution Expenses

	01/01/2019 – 30/06/2019 Unaudited	01/01/2018 – 30/06/2018 Unaudited
	€	€
Advertising and Promotion Costs	25,751	58,638
	25,751	**58,638**

8. Administrative Expenses

	Note	01/01/2019 – 30/06/2019 Unaudited	01/01/2018 – 30/06/2018 Unaudited
		€	€
Staff costs	9	19,633	6,768
Rent		3,000	3,000
Office Common expenses		360	360
Licenses and taxes		2,973	4,156
Electricity		2,339	2,390
Water supply and cleaning		1,061	1,064
Insurance		337	415
Sundry expenses		405	166
Telephone and postage		1,817	1,943
Stationery and printing		91	73
Subscriptions and contributions		89	-
Equipment maintenance		176	567
Computer supplies and maintenance		737	569
Auditors' remuneration		220	-
Other professional fees		235	264
Inland travelling and accommodation		2,100	3,041
Motor vehicle running costs		5,331	1,908
Overseas Travelling		275	-
External Operations & Accounting Services		6,300	4,500
		47,479	**31,184**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2019 to 30th of June 2019

9. Staff Costs

	01/01/2019 – 30/06/2019 Unaudited €	01/01/2018 – 30/06/2018 Unaudited €
Salaries	14,245	5,997
Social Insurance Costs	1,883	712
Training Costs	-	59
Client Support from External Parties	3,505	-
	19,633	**6,768**

The number of employees employed by the Company during the first six months of 2019 and the first six months of 2018 were 6 and 5 respectively.

Staff costs directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Staff costs relating to the research and development of the RichReach Application are written off in the Cost of Sales expense: Research and Development.

10. Expenses relating to the listing of the Company's Shares at the Stock Exchange and Share Capital and Corporate Events

	01/01/2019 – 30/06/2019 Unaudited €	01/01/2018 – 30/06/2018 Unaudited €
Expenses for the Admission at the Emerging Capital Market of the Cyprus Stock Exchange	-	4,000
On-going Expenses related to the listing at the Emerging Capital Market of the Cyprus Stock Exchange	9,079	-
Share Capital Raising Fees	15,000	-
Corporate Expenses	-	775
	24,079	**4,775**

11. Finance Costs

	01/01/2019 – 30/06/2019 Unaudited €	01/01/2018 – 30/06/2018 Unaudited €
Interest expense	277	-
Sundry finance expenses and bank charges	819	580
	1,096	**580**

12. Profit / (Loss) per share attributable to the Shareholders of the Company

	01/01/2019 – 30/06/2019 Unaudited	01/01/2018 – 30/06/2018 Unaudited
Loss attributable to the Shareholders	(€99,947)	(€89,466)
Weighted average number of ordinary shares during the period	11,150,000	11,150,000
Loss per ordinary share attributable to the Shareholders	(€0.0090)	(€0.0080)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1st of January 2019 to 30th of June 2019

13. Intangible Fixed Assets & Amortisation

	RichReach Application *	Software & Infrastructure	Goodwill on Acquisition of Subsidiary (note 14)
	Unaudited	Unaudited	Unaudited
	€	€	€
Cost			
Balance 01/01/2018	549,023	26,150	159,701
Additions 01/01/2018 – 30/06/2018	12,887	-	-
Balance at 30 June 2018	561,910	26,150	159,701
Additions 01/07/2018 – 31/12/2018	65,368	-	-
Balance at 31 December 2018	627,278	26,150	159,701
Additions 01/01/2019 – 30/06/2019	59,196	-	-
Balance at 30 June 2019	**686,474**	**26,150**	**159,701**
Amortisation			
Balance 01/01/2018	109,805	21,260	-
Change for 01/01/2018 – 30/06/2018	56,191	2,265	-
Balance at 30 June 2018	**165,996**	23,525	-
Change for 01/07/2018 – 31/12/2018	69,265	2,265	-
Balance at 31 December 2018	235,261	25,790	-
Change for 01/01/2019 – 30/06/2019	68,647	180	-
Balance at 30 June 2019	**303,908**	**25,970**	-
Net Book Value			
at 30 June 2018	395,914	2,625	159,701
at 31 December 2018	392,017	360	159,701
at 30 June 2019	**382,566**	**180**	**159,701**

** Internally generated intangible assets*

14. Goodwill on Acquisition of Subsidiary

On 1 January 2017 the Company acquired 100% of the shares in RichReach Corporation (CY) Ltd. This has resulted in the business being wholly consolidated within the Company's results from this date.

The cost of the purchase was in exchange of shares of the Company for the amount of €111.000. The net assets acquired were as follows:

	Net Book Value as at 1 January 2017	Fair Value as at 1 January 2017
	(Audited)	(Audited)
	€	€
Equipment, software and infrastructure that support RichReach	46,795	46,795
Office & Computer Equipment	16,378	16,378
Trade and other Receivables	14,906	14,906
Cash in hand and at bank	2,773	2,773
Trade and other Payables	(89,812)	(89,812)
Company's balance with RichReach Corporation (CY) Ltd	(39,741)	(39,741)
Total Net Asset Acquired	**(48,701)**	**(48,701)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the period from 1st of January 2019 to 30th of June 2019

14. Goodwill on Acquisition of Subsidiary (continued)

	Net Book Value as at 1 January 2017 (Audited)	Fair Value as at 1 January 2017 (Audited)
	€	€
Consideration paid:		
Shares allotted (30,000 x €3.70)		111,000
		111,000
Goodwill		**159,701**

Goodwill represents the premium paid to acquire the business of RichReach Corporation (CY) Ltd and is measured at cost less any accumulated impairment losses.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating units using a suitable discount rate in order to calculate present value.

The recoverable amount has been determined based on the value in use calculation using cash flow projections based on financial plans approved by the Group's board. The review has been based on the results and forecasts of the Group.

The main assumptions used in the valuation are:

Discount rate: The discount rate determines management's assessment of risks. This is a benchmark used by management to assess the operating performance and evaluate the business risks, financial risks and risk free rates of return. The pre-tax discount rate applied to the cash flow projections is 25%.

Price/Earnings ratio: The ratio used determines management's assessment of the market in which the Company currently operates, taking into consideration other markets and companies in similar industries. The ratio applied to the cash flow projections calculations is 5.

Cash flows: The cash flow projections from 2019 to 2021 were prepared by the Company.

The Goodwill recognised for RichReach Corporation (CY) Ltd is for the amount of €159.701. For there to be an indication of impairment the discount rate would have to increase significantly in order for the carrying value to equal to the recoverable amount.

15. Tangible Fixed Assets & Depreciation

	Equipment that supports RichReach Unaudited	Furniture & Office Equipment Unaudited	Computer Hardware Unaudited
	€	€	€
Cost			
Balance 01/01/2018	57,250	14,305	16,905
Additions 01/01/2018 – 30/06/2018	-	-	-
Balance at 30 June 2018	57,250	14,305	16,905
Additions 01/07/2018 – 31/12/2018	-	-	1,316
Balance at 31 December 2018	57,250	14,305	18,221
Additions 01/01/2019 – 30/06/2019	-	-	2,292
Balance at 30 June 2019	**57,250**	**14,305**	**20,513**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2019 to 30th of June 2019

15. Tangible Fixed Assets & Depreciation (continued)

	Equipment that supports RichReach	Furniture & Office Equipment	Computer Equipment
	Unaudited	Unaudited	Unaudited
	€	€	€
Depreciation			
Balance 01/01/2018	26,500	5,722	12,474
Change for 01/01/2018 – 30/06/2018	3,313	715	1,691
Balance at 30 June 2018	29,813	6,437	14,165
Change for 01/07/2018 – 31/12/2018	3,312	717	1,952
Balance at 31 December 2018	33,125	7,154	16,117
Change for 01/01/2019 – 30/06/2019	2,413	714	598
Balance at 30 June 2019	**35,538**	**7,868**	**16,715**
Net Book Value			
at 30 June 2018	27,437	7,868	2,740
at 31 December 2018	24,125	7,151	2,104
at 30 June 2019	**21,712**	**6,437**	**3,798**

16. Trade and other Receivables

	01/01/2019 – 30/06/2019	01/01/2018 – 31/12/2018
	Unaudited	Audited
	€	€
Deposits & Prepayments	1,667	1,517
Other Receivables	52,041	32,990
	53,708	**34,507**

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above. No impairment of trade receivables has been incurred during the year.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 3.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

17. Cash and Cash Equivalents

Cash balances are analysed as follows:	01/01/2019 – 30/06/2019	01/01/2018 – 31/12/2018
	Unaudited	Audited
	€	€
Cash in hand	61	7
Cash at bank (current accounts)	7,045	611
Cash at bank (current accounts)	53,187	1,336
Guarantees	1,795	-
	62,088	**1,954**

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2019 to 30th of June 2019

18. Ordinary Share Capital

	01/01/2019 – 30/06/2019 Unaudited		01/01/2018 – 31/12/2018 Audited	
	Number of shares	€	Number of shares	€
Authorised shares				
Ordinary Shares of €0.05 each	12,000,000	600,000	12,000,000	600,000
Issued and fully paid shares				
Ordinary Shares of €0.05 each	11,150,000	557,500	11,150,000	557,500

Authorised Capital
- Upon incorporation on 11/08/2016 and as per its Memorandum of Association, the Company's Authorised Share Capital was 554,600 ordinary shares of nominal value of €0.05 each (€27,730).
- On 21/11/2017 the Company increased its Authorised Share Capital to 12,000,000 ordinary shares of €0.05 each (€600.000).
- On 09/09/2019 the Company completed the increase of its Authorised Share Capital to 15,000,000 ordinary shares of €0.05 each (€750.000).

Issued Capital
- Upon incorporation on 11/08/2016, the Company issued to the subscribers of its Memorandum of Association 554.600 ordinary shares of nominal value of €0,05 each and at a total Share Premium of €620.826.
- On 22/11/2017 the Company proceeded to a bonus share issue (10,595,400 bonus shares) out of share premium that increased its Issued Share Capital to 11,150,000 ordinary shares of €0.05 each (€557.500).

Share Premium is not available for distribution.

19. New Ordinary Share Capital Investment – Shares not yet allotted to subscribers

	01/01/2019 – 30/06/2019 Unaudited	01/01/2018 – 31/12/2018 Audited
	€	€
Coeur DeLion Software Engineering Ltd (1)	€100,000	
Cyprus Pharmaceutical Organisation Ltd (2)	€100,000	
C.A. Papaellinas Ltd (2)	€50,000	
	€250,000	

On 04/09/2019 the Council of the Cyprus Stock Exchange approved the admission of Shares to the CSE for the above considerations.

(1) On 15 February 2019, the Board of Directors approved the conversion of €100.000 of the Coeur DeLion Software Engineering Limited payable balance to 50.000 shares of RichReach Corporation Public Limited.
(2) During March of 2019, RichReach Corporation Public Limited has entered into an arrangement with the 2 subscribers to acquire 55.556 shares in the Company for a total consideration of €200.000.

20. Trade and other Payables

	01/01/2019 – 30/06/2019 Unaudited	01/01/2018 – 31/12/2018 Audited
	€	€
Trade Payables	54,834	37,694
Social Insurance and other Taxes	2,367	4,472
Value Added Tax	73,454	76,177
Accruals	30,535	29,030
Deposits from Clients	600	-
Other Creditors	2,550	14,807
	164,340	**162,180**

Trade payables are non-interest bearing and are normally settled on 60 day terms. The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2019 to 30th of June 2019

21. Related Party Transactions

The major shareholders of the Company are:
- 3L Transcendent Investments Limited, incorporated in Cyprus, which on 30/06/2019 and on 31/12/2018 held 73,93% of the Company's shares.
- Coeur DeLion Software Engineering Ltd, incorporated in Cyprus, which on 30/06/2019 held 19.22% of the Company's shares and on 31/12/2018 held 21.02% of the Company's shares. Please refer to note 19 for related events.

The Members of the Board of Directors hold shares of the Company as follows:
- Antonis Karitzis on 30/06/2019 held 0.11% of the Company's shares and on 31/12/2018 held 0.04% of the Company's shares.
- Christakis Ierides on 30/06/2019 held 0.19% of the Company's shares and on 31/12/2018 held 0.14% of the Company's shares.
- George Rousou, directly and indirectly (through Coeur DeLion Software Engineering Ltd), on 30/06/2019 held 19.69% of the Company's shares and on 31/12/2018 held 21.39% of the Company's shares.
- Epaminondas Metaxas on 30/06/2019 and on 31/12/2018 held 0% of the Company's shares.
- George Koufaris on 30/06/2019 and on 31/12/2018 held 0% of the Company's shares.

The following transactions were carried out with related parties:

21.1 Directors' & Key Management Remuneration

The gross remuneration of Directors and other members of key management was as follows:

	01/01/2019 – 30/06/2019	**01/01/2018 – 30/06/2018**
	Unaudited	Unaudited
	€	€
Directors' Remuneration	10,000	6,508
Key Management	4,364	-
	14,364	**6,508**

Remuneration costs of directors and key management that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets.

21.2 Purchases of Services

	Nature of transactions	**01/01/2019 – 30/06/2019**	**01/01/2018 – 30/06/2018**
		Unaudited	Unaudited
		€	€
Coeur DeLion Software Engineering Limited	Software research, development and support	61,024	73,870
		61,024	**73,870**

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The above amounts include VAT (where applicable).

21.3 Payables to Related Parties

	Nature of transactions	**01/01/2019 – 30/06/2019**	**01/01/2018 – 31/12/2018**
		Unaudited	Audited
		€	€
Coeur DeLion Software Engineering Limited	Software research, development and support	39,376	127,296
		39,376	**127,296**

The payable to related party is interest free, and has no specified repayment date.

Please refer to note 19 for related events.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the period from 1st of January 2019 to 30th of June 2019

21. Related Party Transactions (continued)

21.4 Director's Current Account – Credit Balance

	01/01/2019 – 30/06/2019 Unaudited €	01/01/2018 – 31/12/2018 Audited €
Director's Current Account	3,300	3,300
	3,300	**3,300**

The director's current account is interest free, and has no specified repayment date.

22. Borrowings

	01/01/2019 – 30/06/2019 Unaudited €	01/01/2018 – 31/12/2018 Audited €
Balance on 1 January	9,503	-
Proceeds from Borrowings	9,600	9,416
Repayment of Borrowings	(5,900)	-
Interest Payable	278	87
	13,481	**9,503**

The borrowings bear interest of 4% per annum and are repayable on demand.

23. Contingent liabilities

The Group had no contingent liabilities as at 30 of June 2019.

24. Commitments

The Group had no capital or other commitments as at 30 of June 2019.

25. Events after the reporting period

On 03/07/2019 the Company held the Annual General Meeting of its shareholders.

On 04/09/2019 the Council of the Cyprus Stock Exchange approved the admission of an additional 96,778 ordinary shares at the CSE that have been paid by and allotted to subscribers. This increased the issued share capital of the Company to 11,246,778 ordinary shares of €0.05 each (€562,338.90). The Share Premium increased to €336,542.59.

On 09/09/2019 the Company completed the increase of its Authorised Share Capital to 15,000,000 ordinary shares of €0.05 each (€750.000).