



Interim Financial Report

1st semester 2019



HiPay Group
Public limited company with a capital of
€ 54 504 715
94, rue de Villiers – 92300 Levallois-Perret
RCS 810 246 421
www.hipay.com



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Comments concerning the consolidated income statement

The turnover shows a growth of 29% at €16 753 thousand compared to the first semester 2018.

Direct costs have risen by 30% at €7 976 thousand, in line with the payment volumes processed over the period, including €165 thousand income from IFRS 16.

Payroll charges have increased by 7% at €6 155 thousand following the steady investments made by HiPay in its teams. The average headcount at June 30th, 2019 amounted to 192, compared to 159 a year earlier.

Overhead expenses are down by 13% at € 2 910 thousand, including €610 thousand income from IFRS 16.

Depreciation, amortization and provisions amount to €1 934 thousand euros, including a charge of €678 thousand from IFRS 16, and relate mainly to the amortization of investments in intangible assets made for the development of the Hipay technology platform.

Current operating income amounts to €-2 323 thousand, including €97 thousand income from IFRS 16, compared to €-3 660 thousand in the first half of 2018.

Consolidated net income amounts to €-2 663 thousand, including a charge of €77 thousand from IFRS 16, (compared to €-4 194 thousand in the first half of 2018), after taking into account an income tax of €130 thousand (against €259 thousand in the first half of 2018).

Significant events over the period

On January 16th, 2019, HiPay Group SA proceeded to a capital increase of 2 996 131,10 Euros in cash in the capital of HiPay SAS to bring it to 6 355 080 euros.

Prospects

HiPay Group, in line with first semester, should continue 2019 on a sustained growth rate of turnover.

Main risks and uncertainties characterizing the second half of 2019

The main risks to which the Group is exposed are described in the Management Report and Corporate Governance on pages 32 and following of the 2018 Annual Report. The Company is not aware of other risks and uncertainties affecting the Group.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Consolidated income statements on June 30th, 2019 and on June 30th, 2018

<i>in thousands of Euros</i>	Notes	June 30 th , 2019	June 30 th , 2018
Sales		16 753	12 984
Direct costs		- 7 976	- 6 152
Payroll charges	Note 3	- 6 155	- 5 747
General expenses		- 2 910	- 3 342
EBITDA ⁽¹⁾		- 289	- 2 257
Depreciation and amortization		- 1 934	- 1 268
Current operating profit		- 2 222	- 3 525
Stock based compensation		- 29	- 44
Other non-current income and charges		- 72	- 91
Operating profit		- 2 323	- 3 660
Other financial income and charges	Note 4	- 210	- 274
Earning of the consolidated companies		- 2 533	- 3 935
Earnings before tax of the consolidated companies		- 2 533	- 3 935
Income Tax	Note 5	- 130	- 259
Net income from continuing operations		- 2 663	- 4 194
Including minority interests		0	0
Including Group share		- 2 663	- 4 194
Net income from operations sold		-	-
Net income		- 2 663	- 4 194
Including minority interests		0	0
Including Group share		- 2 663	- 4 194

⁽¹⁾ Current operating income before allowances and reversals of depreciation, amortisation and provisions.

Earnings per share from continuing operations:

	June 30 th , 2019	June 30 th , 2018
Weighted average number of ordinary shares	4 954 974	4 954 974
Earnings per share, Group share (in euro)	-0,54	-0,85
Weighted average number of ordinary shares (diluted)	4 954 974	4 954 974
Diluted earnings per share, Group share (in euro)	-0,54	-0,85

Status of the overall earnings on June 30th, 2019 and on June 30th, 2018

<i>in thousands of euro</i>	June 30th, 2019	June 30th, 2018
Net result	- 2 663	- 4 194
Other element of the global result		
<i>Elements recycled in net result</i>		
- Translation adjustments	- 4	2
<i>Elements not recycled in net result</i>		
- Actuarial gain and losses related to post-employment benefits		
Other elements of the global result, net of tax	- 4	2
Including Group Share		
Global result	- 2 666	- 4 192

Consolidated balance sheets on June 30th, 2019 and on December 31st, 2018

<i>ASSETS - in thousands of Euros</i>	Notes	June 30th, 2019	01/01/2019 restated	Impact IFRS 16	31/12/2018 published
Net Goodwill	Note 6	40 222	40 222	-	40 222
Net intangible fixed assets	Note 7	4 996	4 654	-	4 654
Net tangible fixed assets	Note 8	9 062	8 205	6 943	1 262
Deferred tax assets	Note 9	1 430	1 429	-	1 429
Other financial assets	Note 10	408	401	-	401
Non-current assets		56 118	54 911	6 943	47 968
Receivables and other debtors	Note 11	1 184	648	-	648
Other current assets	Note 12	74 085	60 893	-	60 893
Cash and cash equivalents	Note 13	5 390	2 662	-	2 662
Current assets		80 659	64 203	-	64 203
TOTAL ASSETS		136 777	119 114	6 943	112 171

<i>LIABILITIES - in thousands of Euros</i>	Notes	June 30th, 2019	01/01/2019 restated	Impact IFRS 16	31/12/2018 published
Share capital		54 505	54 505	-	54 505
Premiums on issue and on conveyance		15 495	15 495	-	15 495
Reserves and retained earnings		- 27 488	- 19 097	-	- 19 097
Consolidated net income (Group share)		- 2 663	- 8 417	-	- 8 417
Shareholders' equity		39 849	42 486	-	42 486
Long-term borrowings and financial liabilities	Note 14	15 594	14 557	6 943	7 615
Non-current Provisions		737	644	-	644
Deferred tax liabilities		2	1	-	1
Non-current liabilities		16 333	15 202	6 943	8 259
Short-term financial liabilities and bank overdrafts		100	143	-	143
Suppliers and other creditors		5 459	4 938	-	4 938
Other current debts	Note 15	75 037	56 344	-	56 344
Current liabilities		80 595	61 426	-	61 426
TOTAL LIABILITIES		136 777	119 114	6 943	112 171

Consolidated cash flow statement on June 30th, 2019, on December 31st, 2018

in thousands of Euros	June 30th, 2019	December 31st, 2018
Net income	-2 663	-8 417
<i>Adjustments for:</i>		
Depreciation of the fixed assets	1 089	2 171
Depreciation of the fixed assets IFRS 16	678	-
Other non current elements without impact on the cash	93	92
Financial income and charges IFRS 16	173	-
Financial income and charges	10	51
Take away earn out	-	2 000
Result on sale of equity securities	-	239
Net income on disposals of fixed assets	1	-
Costs of payments based on shares	29	44
Tax charge or proceeds	276	445
Operating profit before variation of the operating capital need and provisions	-314	-3 375
Variation of the operating capital need	544	-3 289
Cash flow resulting from operating activities	230	-6 664
Interest paid	-10	-51
Tax on earnings paid	-276	-883
Net Cash Flow Resulting From continuing Operating Activities	-56	-7 598
Net Cash Flow Resulting From operating activities of divested operations	-	-
Net Cash Flow Resulting From Operating Activities	-56	-7 598
Acquisition of fixed assets, debt	-1 891	-3 500
Variation of financial assets	-7	-486
Effect of the perimeter variations	-	-
Net Cash Flow Resulting From continuing investing Activities	-1 898	-3 986
Net Cash Flow Resulting From operating investing of discontinued operations	-	-
Net Cash Flow Resulting From Investing Activities	-1 898	-3 986
Repurchase of own shares	-	-
Minority transactions	-	-
New borrowings	5 125	6 284
Loan repayments	-63	-168
Debt repayments IFRS 16	-308	-
Interest paid IFRS 16	-29	-
Dividends paid to minority interests	-	-
Net Cash Flow Resulting From continuing Financing Activities	4 725	6 116
Net Cash Flow Resulting From Financing Activities	4 725	6 116
Effect of exchange rates variation	-	-
Net Variation Of Cash And Cash Equivalents from continuing Activities	2 771	-5 468
Net Variation Of Cash And Cash Equivalents from divested operations	-	-
Net cash on January 1st	2 519	7 987
Net cash at the end of the period	5 290	2 519

Statements of changes in combined shareholders equity on June 30th, 2019 and June 30th, 2018

in thousands of euro	Number of shares	Share capital	Premiums	Transactions with HiMedia	Treasury shares	Reserve for options and free shares	Income and expenses on equity	Reserves and consolidated earnings	Shareholders' equity (Group share)	Shareholders' equity Minority Interests	Shareholders' equity
December 31, 2017	4 954 974	54 505	15 495	7 035	- 0	434	- 699	- 25 906	50 864	- 0	50 863
Stock options and free shares impact	0	-	-	-	-	44	-	-	44	-	44
Shares redemptions	0	-	-	-	-	-	-	-	-	-	-
Dividends paid to the minorities	0	-	-	-	-	-	-	-	-	-	-
Perimeter variation	0	-	-	-	-	-	-	-	-	-	-
charges directly posted in shareholders' equity	0	-	-	-	-	-	- 5	-	- 5	-	- 5
Net income of the period	0	-	-	-	-	-	-	- 4 194	- 4 194	-	- 4 194
Global result	0	-	-	-	-	-	- 5	- 4 194	- 4 199	0	- 4 199
June 30, 2018	4 954 974	54 505	15 495	7 035	- 0	478	- 704	- 30 100	46 709	- 0	46 709
Stock options and free shares impact	0	-	-	-	-	-	-	-	-	-	-
Shares redemptions	0	-	-	-	-	-	-	-	-	-	-
Dividends paid to the minorities	0	-	-	-	-	-	-	-	-	-	-
Perimeter variation	0	-	-	-	-	-	0	-	-	-	-
Income and charges directly posted in shareholders' equity	0	-	-	-	-	-	-	-	-	-	-
Net income of the period	0	-	-	-	-	-	-	- 4 223	- 4 223	-	- 4 223
Global result	0	-	-	-	-	-	-	- 4 223	- 4 223	-	- 4 223
December 31, 2018	4 954 974	54 505	15 495	7 035	- 0	478	- 704	- 34 322	42 487	0	42 487
Stock options and free shares impact	0	-	-	-	-	29	-	-	29	-	29
Shares redemptions	0	-	-	-	-	-	-	-	-	-	-
Dividends paid to the minorities	0	-	-	-	-	-	-	-	-	-	-
Perimeter variation	0	-	-	-	-	-	0	-	-	-	-
Income and charges directly posted in shareholders' equity	0	-	-	-	-	-	- 4	-	- 4	-	- 4
Net income of the period	0	-	-	-	-	-	-	- 2 663	- 2 663	-	- 2 663
Global result	0	-	-	-	-	-	- 4	- 2 663	- 2 666	-	- 2 666
June 30, 2019	4 954 974	54 505	15 495	7 035	- 0	508	- 708	- 36 985	39 850	0	39 850

Notes concerning the group's summary consolidated interim financial statements

Note 1. Accounting principles and methods

1.1. Entity presenting the financial statements

Intermediary financial consolidated statements of Hipay Group include the accounts of HiPay Group S.A. and its subsidiaries (together referred to as "the Group"). They are presented in thousands of euros.

The Head Office of the Company is located at 94, rue de Villiers – 92300 Levallois Perret.

1.2. Basis of the consolidated financial statements

Persuant to the European regulation n° 1606/2002 of July 19th 2002, the Group's consolidated financial statements have been prepared in accordance with IAS 34 - Financial Reporting Standard IFRS as adopted in the European Union. These International Accounting Standards are made of the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their interpretations, which were adopted on the June 30th, 2019 by the European Union (publication in the Official Journal of the European Union).

The condensed consolidated financial statements for the six months ending June 30th, 2019 have been prepared in accordance with IAS 34 "Interim Financial Reporting".

The consolidated financial statements for the six months ending June 30th, 2019 and the accompanying notes have been drawn up under the responsibility of the Board of Directors and adopted at its meeting on July 23th, 2019. They were subject to a limited review by the statutory auditors.

1.3. Accounting principles and evaluation methods

HiPay Group has applied the same accounting methods as in its consolidated financial statements for the financial year ending on December 31st, 2018, except for standards, amendments and interpretations applicable for the first time on January 1st, 2019.

Standards, amendments and interpretations, whose application is mandatory on January 1st, 2019:

The Group's application of the following standards and interpretations, adopted by the European Union and mandatory in financial years beginning on or after January 1st, 2019, had no major impact on the Group's financial statements:

- IFRS 16 "Leases"
- IFRIC 23 "Uncertainty over income tax treatments"
- Amendment to IFRS 9 "Early Redemption Features with Negative Remuneration"
- Amendment to IAS 28 "Long-term Interests in Associates and Joint Ventures"
- Amendments to IAS 19 "Employee Benefits: Modification, Reduction or Liquidation of a Plan"

IFRS 16

On January 13, 2016, the IASB issued IFRS 16 "Leases" to replace IAS 17 and the associated IFRIC and SIC interpretations. The new standard, adopted by the European Union on 31 October 2017, is applicable from 1 January 2019.

This standard requires lessees to record, for contracts eligible for the standard, all rents remaining to be paid in the form of:

- Use rights, in fixed assets;
- Rental liability, in financial debt.

The Group did not opt for early application and adopted for the simplified retrospective method by applying the simplifying measures provided for by the standard.

Exclusion of the following contracts:

- Contracts due December 31, 2019;
- Tacit or less than one-year leases; and
- Low value contracts.

The discount rate used is the marginal rate of indebtedness:

- It is the rate that the borrower would have to pay to borrow, for a similar term and with a similar guarantee, the funds necessary to obtain a good of similar value to the asset for the right of use in a similar economic environment.
- It corresponds to the rate on January 1, 2019 for all contracts in progress on this date.

Leased assets are, occupied premises, function vehicles and accommodation.

The discount rate used to value the debt is 4.5%.

For each lease agreement, the Group has chosen to value the asset recognized under the right of use at an amount equal to the lease liability, with no impact on opening equity. The impact of the application of this standard is reflected in an increase at January 1, 2019, in the Group's indebtedness and fixed assets of € 6,943 million.

IFRIC 23

On June 7, 2017, IFRS IC issued the IFRIC Interpretation 23. This interpretation contains provisions relating to the recognition of the tax consequences of the uncertain nature of the tax. The Group did not choose to apply this interpretation in advance and undertook an assessment of the possible consequences of its application. The new interpretation, adopted by the European Union on 23 October 2018, is applicable from 1 January 2019 but has no impact on the group's accounts.

Early application

On June 30th, 2019, the Group has not applied by anticipation new standards or interpretations.

Standards issued by the IASB whose application is not mandatory

The principles applied by the Group do not differ from IFRS standards as published by the IASB, since the application of the following standards and interpretations is not mandatory in financial years beginning on or after January 1st, 2019.

1.4. Use of estimates and judgments

The preparation of the financial statements in accordance with the IFRS standards requires Management to take into account estimates and assumptions for the determination of the amounts posted of certain assets, liabilities, income and charges, and of information provided in the notes relating to some assets and liabilities, in particular :

- The goodwill and the impairment tests,
- The intangible assets,
- The deferred tax assets,
- Depreciations of receivables,
- The determination of the value of the rights of use and the financial liabilities of the lease agreements,
- The provisions for risk and charges.

The estimates and underlying assumptions are based on past experience and other factors considered reasonable in light of the circumstances. They are thus used as the basis for the exercise of the judgment necessary for the determination of the book values of assets and liabilities, which cannot be obtained directly from other sources. Considering the uncertainty of these valuation procedures, the definitive amounts may prove to be different from the ones initially estimated.

The estimates and the underlying assumptions are continuously reconsidered. The impact of the changes in accounting estimates is directly accounted for during the period of the change if it only affects that period, or during the period of change and in subsequent periods if they are also affected by the change.

Note 2. Consolidation scope

Company name	Country	30 June 2019 % Interest	31 Dec 2018 % Interest	Consolidation method	Legal form	Date of creation / acquisition	Closing dates
HiPay Group SA	France	100%	100%	FC	parent company	16.03.15	31.12
HPME SA	Belgium	100%	100%	FC	subsidiary	08.05.08	31.12
HiPay Payment do Brasil LTDA	Brazil	100%	100%	FC	subsidiary	16.11.11	31.12
HiPay Portugal LDA	Portugal	100%	100%	FC	subsidiary	22.01.15	31.12
HiPay LLC	USA	100%	100%	FC	subsidiary	10.02.16	31.12
Stichting	Netherlands	100%	100%	FC	foundation	10.04.12	31.12
HiPay SAS	France	100%	100%	FC	subsidiary	08.02.06	31.12

Note 3. Payroll charges

The breakdown of the payroll charges between salaries, social security charges and provisions for end-of-career indemnities are as follows :

<i>in thousands of Euros</i>	June 30th, 2019	June 30th, 2018
Salaries	4 067	3 851
social security charges	2 074	1 880
Provision for end of career indemnities (variation)	14	15
Payroll charges	6 155	5 747

Average staff changes are as below:

	June 30th, 2019	June 30th, 2018
Average staff	192	159

In order to support the growth of the current and future activity, the group has strengthened its teams and added new skills necessary for the development.

Note 4. Financial result

<i>in thousands of Euros</i>	June 30th, 2019	June 30th, 2018
Financial incomes	22	4
Financial expenses	-232	-278
Financial net result	-209	-274

On June 30th, 2019, financial result items mainly correspond to the restated of IFRS 16 (€ 174k) and interest on borrowings.

Note 5. Tax on profit and loss

The tax expense can be analysed as shown below:

<i>in thousands of Euros</i>	June 30th, 2019	June 30th, 2018
Current taxes	- 129	- 259
Deferred taxes	- 0	-
Tax (charge)/Proceeds	- 130	- 259
<i>Effective tax rate (%)</i>	<i>-5%</i>	<i>-7%</i>

The discrepancy between the effective tax rate and the theoretical tax rate can be analysed as shown below:

<i>in thousands of Euros</i>	June 30th, 2019	June 30th, 2018
Tax rate in France	28%	33%
Theoretical tax (charge)/proceeds	709	1 312
<i>Elements concerning the comparison with the effective rate:</i>		
Effect on rate modification	-	-
Difference of tax rate between the countries	24	32
Effect of non-asset deficit transfers from the fiscal year	- 932	- 1 487
Permanent differences and temporaries	148	- 30
Taxes without basis	- 80	- 86
Real tax (charge)/proceeds	- 130	- 259
<i>Effective tax rate</i>	<i>-5%</i>	<i>-7%</i>

On June 30th, 2019, the effective tax rate results primarily from non recognized deferred taxes on HiPay Group SA and Hipay SAS tax losses.

Note 6. Goodwill

At June 30th, 2019, goodwill amounted to €40.2 million in gross and net value. It corresponds to the goodwill of the payment activity.

At June 30th, 2019, the group did not identify an impairment loss for this business, considering the sustained growth of the payment market and that HiPay's results are in line with the budget.

Note 7. Intangible assets

The development expenses activated during the period are shown on the lines "Software and licences" and "Fixed assets in progress", and correspond primarily to:

- Business Intelligence platform developments,
- Integration of new payment methods on our payment platforms,
- Developments of our internal tools (invoicing tools, sales management tools, etc).

The changes to the gross values of the intangible fixed assets are shown below :

<i>in thousands of Euros</i>	December 31st, 2018	Transfer	Increase	Decrease	June 30th, 2019
Software and licenses	13 882	1 157	-	-479	14 560
Trademarks	51	-	-	-	51
Fixed assets in progress	668	-1 157	1 660	-	1 171
Other	152	-	137	-	289
Total	14 753	-0	1 797	-479	16 071

The changes to the accumulated depreciation and impairment of the intangible fixed assets are shown below :

<i>in thousands of Euros</i>	December 31st, 2018	Transfer	Increase	Decrease	June 30th, 2019
Software and licenses	- 9 946	-	- 976	-	- 10 922
Trademarks	- 1	-	-	-	- 1
Fixed assets in progress	-	-	-	-	-
Other	- 152	-	-	-	- 152
Total	- 10 098	-	- 976	-	- 11 075

The changes to the net values of the intangible fixed assets are shown below :

<i>in thousands of Euros</i>	December 31st, 2018	June 30th, 2019
Software and licenses	3 936	3 638
Trademarks	50	50
Fixed assets in progress	668	1 171
Other	-	137
Total	4 654	4 996

Note 8. Tangible fixed assets

The changes to the gross values of the tangible fixed assets are shown below :

<i>in thousands of Euros</i>	December 31st, 2018	Impact IFRS 16	01/01/2019 restated	Increase	Decrease	June 30th, 2019
Fittings & installations	843	-	-	7	-	850
Office equipment and computer hardware	1 750	-	-	200	-1	1 949
Rights to use rented assets	-	6 943	6 943	1 401	-	8 344
Furniture	184	-	-	41	-	225
Total	2 777	6 943	9 720	1 648	-1	11 367

The changes to the accumulated depreciation and impairment of the tangible fixed assets are shown below :

<i>in thousands of Euros</i>	December 31st, 2018	Impact IFRS 16	01/01/2019 restated	Increase	Decrease	June 30th, 2019
Fittings & installations	-98	-	-98	-45	-	-143
Office equipment and computer hardware	-1 356	-	-1 356	-136	1	-1 490
Rights to use rented assets	-	-	-	-594	-	-594
Furniture	-61	-	-61	-16	-	-77
Total	-1 515	-	-1 515	-791	1	-2 305

The changes to the net values of the tangible fixed assets are shown below :

<i>in thousands of Euros</i>	December 31st, 2018	Impact IFRS 16	01/01/2019 restated	June 30th, 2019
Fittings & installations	745	0	745	707
Office equipment and computer hardware	394	0	394	458
Rights to use rented assets	-	6 943	6 943	7 750
Furniture	123	0	123	147
Total	1 262	6 943	8 205	9 062

Note 9. Deferred Taxes

On June 30th, 2019, deferred taxes are mainly composed of deferred tax assets relating to loss carryforwards of HiPay SAS. On June 30th, 2019, the balance of non-activated loss carryforwards for the HiPay Group amounts to €19.2 million (in base).

Note 10. Other financial assets

On June 30th, 2019, the other financial assets break down as follows :

<i>in thousands of Euros</i>	June 30th, 2019	December 31st, 2018
Other securities	-	-
Other financial assets	-	0
Deposits and sureties	408	401
Total	408	401

Note 11. Customers and other debtors

<i>in thousands of Euros</i>	June 30th, 2019	December 31st, 2018
Receivables and invoices to be established	1 408	705
Depreciation	-224	-57
Receivables and other debtors	1 184	648

The net book value shown above represents the maximum exposure to credit risk on this item.

Note 12. Other current assets

All other current assets mature at under one year.

<i>in thousands of Euros</i>	June 30th, 2019	December 31st, 2018
Tax assets	5 573	4 707
Prepaid charges	448	469
Available cash balance	67 425	55 153
Other	639	565
Other current assets	74 085	60 893

The tax and social assets item consists primarily of VAT receivables and debts to social and fiscal institutions.

Available cash balance amounts to €67.4 million at June 30th, 2019, compared with €55.2 million at December 31st, 2018, and relate to the financial commitments resulting from the issuance of electronic money and funds collected on behalf of merchants (see note 15 Other debts and current liabilities).

In compliance with current regulation, cash received for the execution of a payment transaction – or cash collected in consideration of the issuance of electronic money for HPME – is invested in one or several accounts specifically opened for this purpose in a credit institution authorised in a Member State of the European Community or in another State that is part of the European Economic Area agreement.

Note 13. Cash and cash equivalents

<i>in thousands of Euros</i>	June 30th, 2019	December 31st, 2018
"OPCVM" fund shares	1	1 200
Liquid assets	5 389	1 461
Cash and cash equivalents	5 390	2 662
Bank overdrafts	-100	-143
Short-term financial liabilities and bank overdrafts	-100	-143
Cash net	5 291	2 518

A partnership current account agreement was entered into on March 1st, 2019 between BJ Invest SAS and HiPay Group SA. This agreement allows the company to benefit from available cash advances up to a maximum of €5 million. In this context and taking into account the evolution of the volumes and margins planned for the 2019 financial year, the continuation of the company's activities may be ensured over the coming year.

Note 14. Long-term borrowings and financial liabilities

A loan of €650 thousand was contracted with BNP Paribas on January 12th, 2018 to finance the works in the new premises.

Two loans with BPI were contracted in the second half of 2018, amounting to €1,500 thousand and €3,000 thousand. Refunds Repayments (when you start to payoff the loan) will begin in 2021 and end in 2020.

<i>in thousands of Euros</i>	June 30th, 2019	December 31st, 2018
Loans from a credit institution	4 990	5 054

Detail:

<i>in thousands of Euros</i>	
<i>Position at the beginning of the period</i>	5 054
Loan contracted on 2019	-
Repayment of loans	64
<i>End position of the period</i>	4 990
Less than one year	129
from 1 to 5 years	3 585
to + 5 years	1 275

The Hipay SAS (2015, 2016 and 2017) research tax credit receivables were financed for € 1 914 thousand representing 95% of the receivables. These receivables remain in the assets of the company.

<i>in thousands of Euros</i>	June 30th, 2019	December 31st, 2018
Financing of the research tax credit and Tax credit for employment and competitiveness	2 420	2 295

We have also restated the lease credits contracted in 2019, as required by IAS 17:

<i>in thousands of Euros</i>	June 30th, 2019	01/01/2019 restated	31/12/2018 published
IFRS 16	7 809	6 943	-
Credit bail	376	-	266

Note 15. Other debts and current liabilities

<i>in thousands of Euros</i>	June 30th, 2019	December 31st, 2018
Tax and social liabilities	3 602	3 366
Debts on fixed assets	126	91
Prepaid income	-	-
Other liabilities	71 309	52 887
Other current liabilities	75 037	56 344

All other debts mature at under one year, except attendance fees.

The tax and social security liabilities item primarily consists of VAT debts and debts to social institutions.

The other debts are notably comprised of the financial commitments arising from the issuance of electronic money and from the ongoing payouts from merchant sites using the payment platform (see Note 12 Other current assets).

Note 16. Off-balance sheet commitments

16.1. Commitments received

The Mobiyo SAS sale agreement includes the payment of a price supplement of a maximum value of €3 million, based on the revenue generated in 2018, 2019 and 2020.

There is therefore an off-balance sheet commitment received up to the difference, thus 2 million euros, is not the probability of accident is a faible.

16.2. Commitments given

As part of the sale of Mobio SAS, the group has granted a liability guarantee to GibMedia SAS. This liability guarantee is capped at 30% of the price paid and will expire on December 31st, 2020.

As of December 1st, 2017, HiPay Group moved its Head Office to a building whose principal lessee is BJ Invest SAS. This sublease contract has a fixed term of 6 years.

In the context of a dispute between the tax authorities and HiPay SAS, the latter has proceeded to a pledge of its business base.

As of April 1st, 2019, HiPay SAS has signed leases for its new premises in Nantes hosting the Group's Research & Development teams. These leases have a duration of 9 years including 6 firm years.

On February 1st, 2019, HiPay SAS signed a lease for its new premises in Italy. This lease was concluded for a period of 6 years.

16.3. Claims

In previous years, Group companies were subject to tax audits. Some rectification proposals have been challenged and are subject to litigation. For the most part, these adjustments have not been subject to provisions in the accounts to the extent that the Company and its advisers consider that it has a high likelihood of success in the litigation.

Note 17. Transactions between related parties

17.1. Compensation of the members of the management bodies

17.1.1. Remuneration of executive corporate officers

	June 30th, 2019		December 31st, 2018	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Grégoire Bourdin, CEO				
Fixed remuneration	100 000	100 000	200 000	200 000
Variable remuneration	25 000	10 000***	27 000**	27 000**
Exceptional remuneration	-	-	-	-
Attendance fees	-	-	-	-
Fringe benefits*	6 990	6 990	15 056	15 056
Total	131 990	116 990	242 056	242 056

* guaranteed loss of employment, vehicle and additional retirement

**variable compensation paid in 2018 for the 2017 financial year

***variable compensation paid in 2019 for the 2018 financial year

The Company has taken out a loss of employment guarantee contract and a supplementary retirement contract for its executive Director. The costs related to these commitments are limited to the payment of insurance premiums.

17.1.2. Remuneration of other corporate officers

Only independent members of the board of directors receive attendance fees (currently an administrator). The amount authorized by the Shareholders' Meeting of May 2nd, 2016 and which should have been distributed for the 2016, 2017 and 2018 financial years amounts to €40,000 per year.

17.2. Other related parties

On December 1st, 2017, HiPay Group moved its Head Office into a building whose principal lessee is BJ Invest SAS. This agreement was authorized by the Board of Directors at its meeting of August 31st, 2017. With the new IFRS 16 standard, the annual rent amounts to €799 thousand (excluding charges) was immobilized. HiPay Group is also related to BJ Invest SAS by payroll services. This expense amounted to €23 thousand on 30th June, 2019.

A payment service agent agreement has been concluded between HiPay SAS and Mobiyo. Mobiyo's activity of providing an operator-based payment solution requires the support of a payment service provider whose activity is regulated, while the commercial and technical service is provided directly by Mobiyo to its customers. This service amounts to €9 thousand on 30th June, 2019.

A partnership current account agreement was entered into on March 1st, 2019 between BJ Invest SAS and HiPay Group SA. This agreement allows the company to benefit from available cash advances up to a maximum of €5 million (cf note 13. "Cash and cash equivalents").

17.3. Transactions with subsidiaries

HiPay Group SA invoices its subsidiaries for management fees, which are eliminated in the consolidated financial statements.

HiPay SAS charges Group companies :

- assistance in the areas of management control and tax and social accounting,
- re-invoicing of technical personnel,
- re-invoicing of IT developments,

which are then eliminated in the consolidated financial statements.

Note 18. Events occurred since the closing

None