

**Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**



**COMEPAY INC.**

A Florida Corporation

10-8707 Dufferin Street,  
Suite #308, Vaughn, Ontario L4J 0A6  
Canada

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Company Telephone: (954) 607-2296

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Company Email:

info@comepayinc.com

SIC Code: 7389 - Business Services, Not Elsewhere Classified

**Annual Financial Report**

For the Year Ending: December 31, 2018

As of April 15, 2019, the number of shares outstanding of our Common Stock was:

**76,945,106**

As of December 31, 2018, the number of shares outstanding of our Common Stock was:

**76,945,106\***

*\*(On December 27, 2018 the Company entered into a Share Exchange Agreement with Aviatec S.A. under which a total of 7,771,237 common shares were required to be issued as of the date of the agreement. The shares were administratively issued on April 11, 2019, with an original issuance date of December 27, 2018, and therefore are included in the total number of shares outstanding shares at December 31, 2018)*

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

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<sup>1</sup> "Change in Control" shall mean any events resulting in:  
OTC Markets Group Inc.  
OTC Pink Basic Disclosure Guidelines (v2.0 February 2019)

Yes:  No:

## 1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

The current name of the issuer is Comepay Inc. Listed below are the dates of any predecessor entities for the past five years and their names:

Great Rock Development Corporation – January 17, 2012 to March 1, 2018

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable) Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

The Company was incorporated in the State of Florida on June 14, 1995. The Company is active.

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes:  No:

## 2) Security Information

Trading symbol:	<u>CMPY</u>
Exact title and class of securities outstanding:	<u>Common Stock</u>
CUSIP:	<u>20036M107</u>
Par or stated value:	<u>\$0.001</u>
Total shares authorized:	<u>750,000,000</u> as of date: <u>April 15, 2019</u>
Total shares outstanding:	<u>76,945,106</u> as of date: <u>April 15, 2019</u>
Number of shares in the Public Float <sup>2</sup> :	<u>4,947,563</u> as of date: <u>April 15, 2019</u>
Total number of shareholders of record:	<u>295</u> as of date: <u>April 15, 2019</u>

*Additional class of securities (if any):*

Trading symbol:	<u>Not Applicable</u>
Exact title and class of securities outstanding:	<u>1,000,000 shares, Class A Preferred Stock</u>
CUSIP:	<u>Not Applicable</u>

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(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Par or stated value: \$0.001  
Total shares authorized: 1,000,000 shares of Preferred stock of which of which 1,000,000 is designated as Class A Preferred Stock as of date: April 15, 2019  
Total shares outstanding: Nil shares of Series A Preferred Stock as of date: April 15, 2019 and December 31, 2018.

#### Transfer Agent

Name: Action Stock Transfer Corporation  
Phone: (801) 274-1088  
Email: [action@actionstocktransfer.com](mailto:action@actionstocktransfer.com)

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On January 23, 2018, the board of directors of the Company and its controlling shareholder, approved a name change to "Comepay, Inc.", a symbol change to CMPY and a reverse split on the basis of one new share for every 100 issued and outstanding shares. The name change and reverse split became effective March 1, 2018. The impact of the reverse split has been retroactively applied to all share and per share data contained herein. The authorized capital remained 750,000,000 common shares at par value \$0.001 per share following the split.

On March 7, 2018, effective March 22, 2018, the Company closed a Share Exchange Agreement with Comepay Group Corp., a company incorporated in the Republic of Panama, and Roza Dizhechko, an individual, whereby the Company has acquired a 100% interest in four (4) operating entities (referred to collectively as "Comepay Group") in a two-stage process, for total consideration of 63,000,000 restricted shares of the Company's common stock, inclusive of 3,000,000 shares issued as a finders fee in connection with the transaction.

### **3) Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

#### **A. Changes to the Number of Outstanding Shares**

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

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<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Number of Shares outstanding as of December 31, 2016	Opening Balance: Common: 1,145,500 * *See footnote (1) Preferred: Nil		*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)  *See footnote (1)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)  *(1)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
<u>March 22 2018</u>	<u>New Issuance</u>	<u>30,000,000</u>	<u>Common</u>	<u>(2)</u>	<u>No</u>	Roza Dizhechko	<u>Share Exchange</u>	<u>Restricted</u>	<u>Reg S</u>
<u>March 22 2018</u>	<u>New issuance</u>	<u>30,000,000</u>	<u>Common</u>	<u>(2)</u>	<u>No</u>	Comepay Group Corp. (3)	<u>Share Exchange</u>	<u>Restricted</u>	<u>Reg S</u>
<u>March 22 2018</u>	<u>New issuance</u>	<u>3,000,000</u>	<u>Common</u>	<u>(2)</u>	<u>No</u>	Ilya Aharon	<u>Finder's Fee</u>	<u>Restricted</u>	<u>Reg S</u>
<u>May 28, 2018</u>	<u>New issuance</u>	<u>2,562,500</u>	<u>Common</u>	<u>\$0.008</u>	<u>Yes</u>	ZONDO DMCC (4)	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Reg S</u>
<u>September 20, 2018</u>	<u>New issuance</u>	<u>1,207,484</u>	<u>Common</u>	<u>\$1.75</u>	<u>Yes</u>	Mikhail Petrovich Miriushchenko	<u>Debt settlement</u>	<u>Restricted</u>	<u>Reg S</u>
<u>October 22, 2018</u>	<u>New issuance</u>	<u>8,385</u>	<u>Common</u>	<u>\$2.39</u>	<u>Yes</u>	Sharon D. Mitchell	<u>Services</u>	<u>Restricted</u>	<u>Reg S</u>
<u>December 6, 2018</u>	<u>New issuance</u>	<u>250,000</u>	<u>Common</u>	<u>\$0.008</u>	<u>Yes</u>	<u>Spartak Kanayev</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Reg S</u>
<u>December 6, 2018</u>	<u>New issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$0.008</u>	<u>Yes</u>	<u>Svetlana Tovpik</u>	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Reg S</u>
<u>December 27, 2018</u>	<u>New issuance (8)</u>	<u>3,064,761</u>	<u>Common</u>	<u>\$2.233</u>	<u>Yes</u>	Aviatec Holdings S.A. (5)	<u>Share Exchange</u>	<u>Restricted</u>	<u>Reg S</u>
<u>December 27, 2018</u>	<u>New issuance (8)</u>	<u>550,000</u>	<u>Common</u>	<u>\$2.75</u>	<u>No</u>	Leonid Afanasyev	<u>Share Exchange</u>	<u>Restricted</u>	<u>Reg S</u>
<u>December 27, 2018</u>	<u>New issuance (8)</u>	<u>2,000,000</u>	<u>Common</u>	<u>\$2.75</u>	<u>No</u>	Roman Prilepin	<u>Share Exchange</u>	<u>Restricted</u>	<u>Reg S</u>

<u>December 27, 2018</u>	<u>New issuance (8)</u>	<u>500,000</u>	<u>Common</u>	<u>\$2.75</u>	<u>No</u>	Bilton Solutions OU (6)	<u>Share Exchange</u>	<u>Restricted</u>	<u>Reg S</u>
<u>December 27, 2018</u>	<u>New issuance (8)</u>	<u>950,000</u>	<u>Common</u>	<u>\$2.75</u>	<u>No</u>	Paym0 Int. Ltd. (7)	<u>Share Exchange</u>	<u>Restricted</u>	<u>Reg S</u>
<u>December 27, 2018</u>	<u>New issuance (8)</u>	<u>706,476</u>	<u>Common</u>	<u>\$2.75</u>	<u>No</u>	Alena Ivanova	<u>Finder's Fee</u>	<u>Restricted</u>	<u>Reg S</u>
Shares Outstanding on <u>December 31, 2018</u>	<u>Ending Balance:</u> Common: <u>76,945,106</u> Preferred: <u>Nil</u>								

\* (1) On January 23, 2018, the board of directors of the Company and its controlling shareholder, approved a reverse split on the basis of one new share for every 100 issued and outstanding shares. The reverse split became effective March 1, 2018 and has been retroactively applied to all share and per share figures included herein.

(2) Due to the limited operations of the Company prior to the share exchange with Comepay Group Corp. and Dizhechko, the Company has treated the acquisition as a capital transaction in substance, rather than a business combination. The transaction is a reverse recapitalization, equivalent to the issuance of stock by the private Comepay companies for the net monetary assets of the parent corporation accompanied by a recapitalization. The accounting is similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets are recorded. The net identifiable assets acquired in exchange for 63,000,000 shares were valued at (\$309,870).

(3) Comepay Group Corp., a company incorporated in the Republic of Panama, beneficial owners each as to 50%, are Mr. Felix Naff and Mr. Rasat Ibadov. Both Mr. Naff and Mr. Idabov are officers and directors of the Company.

(4) Zondo DMCC, incorporated in the Dubai Multi Commodities Centre is 100% controlled by Dmitry Kislitsyn.

(5) Beneficial ownership of Aviatec Holdings S.A. is Yerwood Holdings Limited (Shamil M. Idrisov) as to 50% and (2) Insley Holdings Ltd. (Leonid Afanasyev) as to 50%.

(6) Bilton Solutions OU is beneficially owned by Shamil M. Idrisov.

(7) Paymo Int. Ltd is beneficially owned by Bakhrom Ismailov.

(8) On December 27, 2018 the Company entered into a Share Exchange Agreement with Aviatec S.A. under which a total of 7,771,237 common shares were required to be issued as of the date of the agreement. The shares were administratively issued on April 11, 2019, with an original issuance date of December 27, 2018, and therefore are included in the total number of shares outstanding shares at December 31, 2018.

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

<b>Date of Note Issuance</b>	<b>Outstanding Balance (\$)</b>	<b>Principal Amount at Issuance (\$)</b>	<b>Interest Accrued (\$)</b>	<b>Maturity Date</b>	<b>Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)</b>	<b>Name of Noteholder (1)</b>	<b>Reason for Issuance (e.g. Loan, Services, etc.)</b>
12/11/17	1,086,552.33	1,002,000.00	84,552.33	12/11/18	Convertible into shares at fixed rate of \$0.57 per share	Care Providers Co. Inc.	Loan
2/6/2018	428,668.49	400,000.00	28,668.49	02/06/19	Convertible into shares at fixed rate of \$0.57 per share	Care Providers Co. Inc.	Loan

6/30/2018	210,088.83	193,293.54	7,795.29	06/30/19	<u>Convertible into shares at fixed rate of \$0.57 per share</u>	<u>Care Providers Co. Inc.</u>	<u>Loan</u>
7/30/2018	473,937.30	458,462.63	15,474.68	07/30/19	<u>Convertible into shares at fixed rate of \$0.57 per share</u>	<u>Care Providers Co. Inc.</u>	<u>Loan</u>
8/7/2018	962,709.60	932,858.17	29,851.46	08/07/19	<u>Convertible into shares at fixed rate of \$0.57 per share</u>	<u>Care Providers Co. Inc.</u>	<u>Loan</u>
8/17/2018	514,904.11	500,000.00	14,904.11	08/17/19	<u>Convertible into shares at fixed rate of \$0.57 per share</u>	<u>Care Providers Co. Inc.</u>	<u>Loan</u>
8/23/2018	43,339.73	40,000.00	4,339.73	08/23/19	<u>Convertible into shares at fixed rate of \$0.57 per share</u>	<u>Care Providers Co. Inc.</u>	<u>Loan</u>
9/20/2018	95,275.60	93,192.18	2,083.42	09/20/19	<u>Convertible into shares at fixed rate of \$0.57 per share</u>	<u>Care Providers Co. Inc.</u>	<u>Loan</u>
12/31/2018	40,866.00	40,866.00	-	12/31/19	<u>Convertible into shares at fixed rate of \$0.57 per share</u>	<u>Care Providers Co. Inc.</u>	<u>Loan</u>

(1) Beneficial Owner of Care Providers Co. Inc is Ilya Aharon.

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: **Li Shen, The Accounting Connection**  
Title: **CGA**  
Relationship to Issuer: **Accountant**

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;  
D. Statement of income;  
E. Statement of cash flows;  
F. Financial notes; and  
G. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

## **5) Issuer's Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

### **A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")**

Up until September 15, 2017, Comepay Inc. (formerly Great Rock Development Corporation) was a publicly traded research & development company with a focus on the development of technologies that assist mining and resource companies to extract greater value in gold and platinum mining.

The Company was in the process of researching and developing a proprietary Gold & Platinum Filter. The technology was anticipated to separate and filter Gold & Platinum down to an industry leading 10 microns in size, with the potential to transform once valueless tailings into potentially valuable minerals. While Great Rock worked to commercialize the Filter prototype, management continued to research the development of new mineral claims with hopes of acquiring proven Gold and or Platinum properties.

On September 15, 2017 the Company's sole officer and a member of the board of directors, Mr. John S. Wilkes, resigned all positions. Concurrently the Company's other director, Ms. Maria Gafter also resigned her position. Effective October 10, 2017 each of Mr. Wilkes and Ms. Gafter agreed to waive all accrued and unpaid compensation up to the date of their respective resignations.

Also, effective September 15, 2017, Mr. Ilya Kaplan was appointed to the Company's board of directors as sole officer and director.

Upon the appointment of Mr. Kaplan to the board of directors the Company also completed a change in control whereby Mr. Kaplan became the controlling shareholder having acquired 733,980 (post reverse split) shares of common stock from various selling shareholders, including Mr. Wilkes and Ms. Gafter. Effective upon closing of the transactions, Mr. Kaplan held 64.1% of the total issued and outstanding common stock. Upon the completion of the aforementioned change in management and control, the Company moved to acquire an operating business in the payment processing sector.

On March 1, 2018, in anticipation of the completion of a Share Exchange Agreement in respect of a targeted acquisition in the payment processing sector, the Company expanded its Board of Directors, and concurrently appointed new officers. Mr. Ilya Kaplan, our sole officer and director resigned from all positions, and the following individuals were appointed to fill the vacancies as noted:

Mr. Dmitry Tsatskhin – Chief Executive Officer and Director  
Mr. Felix Naff - President and Director  
Mr. Dmitry Solomovich – Secretary and Treasurer  
Mr. Rasat Ibadov – Chief Operating Officer and Director

On March 7, 2018, effective March 22, 2018, the Company closed the aforementioned Share Exchange Agreement with Comepay Group Corp., a company incorporated in the Republic of Panama, and Roza Dizhechko, an individual, whereby the Company has acquired a 100% interest in four (4) operating entities (referred to collectively as "Comepay Group") in a two-stage process, for total consideration of 63,000,000 restricted shares of the Company's common stock, inclusive of 3,000,000 shares issued as a finders fee in connection with the transaction.

Due to the limited operations of the Company prior to the share exchange, the Company has treated the acquisition as a capital transaction in substance, rather than a business combination. The transaction is a reverse recapitalization, equivalent to the issuance of stock by the private companies for the net monetary assets of the parent corporation accompanied by a recapitalization. The accounting is similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets are recorded. The financial statements subsequent to the date of the exchange transaction are presented as a continuation of the business of the acquired companies, and all operations of Comepay, Inc., up to the exchange transaction are allocated to additional paid in capital and/or retained earnings. The Comepay Group, includes Comepay LLC, RP Systems LLC, M-NN LLC and Chek-online, LLC (with operations of related entity Kassir Soft LLC) which entities have been operating for over 11 years providing internet acquiring services and support, facilitating instant payments and internet-based payment transactions via kiosks, mobile interfaces and web-based applications such as electronic wallets. Comepay Group also leases and sells cash registers and Point of Sale (POS) systems, including its recently developed proprietary line of multifunctional smart POS fiscal cash register systems, known as the "Cassetka".

In December 2018 the Company acquired Skytech LLC, a company incorporated in Russia which has a specialized software platform for the development and support of processing, banking, issuing and other subject systems and applications (operational, retail, accounting, analytical). Skytech has the ability to make changes to these applications, integrate and develop systems for current business tasks, as well as create other derivative products and/or develop stand-alone applications and systems. The Company issued 4,000,000 shares in respect of the acquisition of Skytech, as well as 3,064,761 shares to settle debts of Skytech in the amount of US\$6,862,802 (EUR\$6 million), and paid a finders fee of 706,476 shares in connection with the transaction.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Subsidiaries include: Comepay LLC, RP Systems LLC, M-NN LLC and Chek-online, LLC (with operations of related entity Kassir Soft LLC) and Skytech LLC

- C. Describe the issuers' principal products or services, and their markets

The Comepay group of companies have been operating for over 11 years providing internet acquiring services and support, facilitating instant payments and internet-based payment transactions via kiosks, mobile interfaces and web-based applications such as electronic wallets. The Company also leases and sells cash registers and Point of Sale (POS) systems, including its recently developed proprietary multifunctional smart POS fiscal cash register system. Combining proprietary software and equipment, Comepay processes over 4.7 million customer payments per month and presently has more than 12,700 kiosks across Russia. The companies are currently focusing their planned business expansion on their family of smart POS fiscal cash register systems called "Cassatka" in order to help businesses comply with newly released Russian taxation legislation, 54-FZ which requires a further 3 million businesses in fiscal 2019 to install new, federally compliant on-line cash registers. The Cassatka, Comepay's family of multifunctional smart POS online fiscal cash registers can process payments and meet fiscal data storage requirements for participating businesses, including web-based businesses. The product line is convenient and a cost competitive solution for businesses to meet the current federal taxation requirements in Russia and is currently being sold by a series of marketing partners across Russia. As the companies expand their business model, we expect to offer blockchain acquiring services and also to accept payments in multiple crypto currencies on the Cassatka. The Comepay group of companies presently earn revenue from a variety of channels including fee-based commissions on payment processing for both cash and debit card payments, software licensing, kiosk placement fees and other rental fees for cash registers and associated equipment. The Comepay companies are looking to expand rapidly in fiscal 2019 and beyond as we continue to market the Cassatka smart terminals, along with a suite of enhanced user features. Please see websites below:

[www.comepaygroup.com](http://www.comepaygroup.com), [www.comepay.ru](http://www.comepay.ru), [www.kassatka.me](http://www.kassatka.me), [www.chekonline.ru](http://www.chekonline.ru), [www.starrys.ru](http://www.starrys.ru)

Recently the Company acquired Skytech LLC, a limited liability company registered in Russia, Ulyanovsk Region. Skytech is an independent processing company specializing in providing a wide range of processing services, focused on the aviation industry, as well as additional services. Skytech's operational software base is composed of the Wirecard Payment Gateway and TranzAxis platform from Compass Plus.



Skytech has a specialized software platform for the development and support of processing, banking, issuing and other subject systems and applications (operational, retail, accounting, analytical). Skytech has the ability to make changes to these applications, integrate and develop systems for current business tasks, as well as create other derivative products and/or develop stand-alone applications and systems.

Skytech's system has application in the following industries: e-commerce (provision of Internet acquiring services, creation of reports on operations to customers' demand, implementation and adaptation of mobile applications to ensure the receipt of all payment methods), utilities and bills, transport services (buying airline/railway tickets ), social sector (multipurpose student card, campus cards, a single information card with available payment function), development and implementation of modern payment methods and tools.

The Company expects to use the software base acquired in Skytech to more rapidly expand its product offerings in Russia to new industry targets, including aviation.

## **6) Issuer's Facilities**

The Company presently rents office space in Rostov, Russia from a company controlled by the father of a member of our board of directors. The office space is a free-standing building of approximately 13,000 square feet and houses the majority of our 180 employees including our technical staff, accounting staff, sales and service staff and certain key management members. We also lease 5,400 square feet of office space in Moscow, Russia for members of our marketing and executive management team from which we manage most of our corporate presentations and advertising functions. The Company subleases space in various secure data centers in Moscow which include the key server and terminal equipment for our online Cassatka fiscal terminal rental program. We back up all our corporate and user data at a data center onsite at our Rostov location. Finally, the Company also has a small executive office located in Vaughn, Ontario, from which management located in Canada operates which is provided free of charge by one of our officers and directors. Our office space and facility rentals are all on terms of 1 to 4 years and cost approximately \$14,250 per month.

## **7) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% or more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own.

**If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

### **Officers and Directors:**

#### **Mr. Dmitry Tsatskhin – Chief Executive Officer and Director**

**Mr. Dmitry Tsatskhin** attended the Academy of Public Administration in Russia and obtained a diploma in Higher Education and a specialty in World Economics. Thereafter his career has been entirely focused on marketing, selling, software development and new technology in the field of cellular phones, cash registers, payment kiosks, and proprietary payment processing products. Over the past 12 years Mr. Tsatskhin has worked with the suite of Comepay companies to drive sales and innovation bringing relationships with large industry partners in Russia including Yandex, Magnit, Beeline, and MTS.

#### **Mr. Felix Naff - President and Director**

**Mr. Felix Naff** has over twenty years of experience evaluating and advising both private and public corporations with a global focus, in all aspects of business development including: corporate restructures, initial public offerings, reverse take overs and underwriting efforts. Mr. Naff holds particular expertise in recognizing new or expanding business opportunities and capitalizing on corporate growth through strategic investment. Mr. Naff has a strong network of business partners in Russia and other Common Wealth of Independent States (CIS) countries.

**Mr. Dmitry Solomovich – Secretary and Treasurer**

**Mr. Dmitry Solomovich** operates a private merchant business for precious gems. Having learned his trade through years of operating an extensive family run gem business and trade, Mr Solomovich has expertise with all precious stones, focussed on the acquisition of both raw gems and finished stones for retail and wholesale jewellery operations. With over 15 years of experience in global marketing and procurement, Mr. Solomovich will work with the board of directors of Comepay to enhance supplier relationships down the supply chain.

**Mr. Rasat Ibadov – Chief Operating Officer and Director**

**Mr. Rasat Ibadov** graduated with honors from Moscow State Regional University (MGOU) obtaining a Bachelor's degree, majoring in World Economics, in 2005. Thereafter Mr. Ibadov has been employed by various corporations as Head of Finance. From 2009 to present Mr. Ibadov has been employed with RusAvto Limited, headquartered in Moscow, Russia. Mr. Ibadov's global finance experience is expected to be a substantive advantage to Comepay as we move to implement our growth Strategy in 2018 and beyond.

**Control Persons**

Listed below are the shareholders holding 5% or more of the issued and outstanding shares of the Company as at December 31, 2018 based on a total issued and outstanding of shares of common stock of 76,945,106, and Nil shares of Class A Preferred Stock issued and outstanding.

<b>Name of Officer/Director and Control Person</b>	<b>Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)</b>	<b>Residential Address (City / State Only)</b>	<b>Number of shares owned</b>	<b>Share type/class</b>	<b>Ownership Percentage of Class Outstanding</b>	<b>Note</b>
Comepay Group Corp.  (Beneficial owners: Mr. Rasat Ibadov as to 50% and Mr. Felix Naff as to 50%)	Control Person	Panama City, Republic of Panama	30,000,000	Common shares	38.9%	Mr. Ibadov and Mr. Naff are both members of our board of directors and officers of the Company
Roza Fedorovna Dizhechko	Control Person	Rostov On Don, Russia	30,000,000	Common shares	38.9%	Mrs. Dizhechko is the mother of our CEO and member of our Board of Directors, Dmitry Tsatskhin

**8) Legal/Disciplinary History**

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None of the persons listed above have been convicted in a criminal proceeding or named as a defendant in a pending criminal proceeding.

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None of the persons listed above is party to an order, judgement, or decree that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities.

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None of the persons named above are a party to any finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation.

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None of the persons named above are a party to any order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited their involvement in any type of business or securities activities.

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

There are no known legal proceedings as of the date of this filing to which the issuer or any of its subsidiaries is a party or of which any of their property is a subject.

## 9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Sharon D. Mitchell  
Firm: SD Mitchell and Associates, PLC  
Address 1: 829 Harcourt Rd.  
Address 2: Grosse Pointe Park, MI  
Phone: (248) 515-6035 (Phone)  
Email: [sharondmac2013@gmail.com](mailto:sharondmac2013@gmail.com)

### Accountant or Auditor

Name: Li Shen, CGA  
Firm: The Accounting Connection  
Address 1: 145-251 Midpark Blvd SE  
Address 2: Calgary, Alberta T2X 1S3, Canada  
Phone: 403-693-8004  
Email: [support@theaccountingconnection.com](mailto:support@theaccountingconnection.com)

### Investor Relations Consultant

None

### Other Service Providers

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period.

Compliance consultant:

The Ideal Connection  
30 North Gould St, Suite 5953  
Sheridan, WY 82801  
Jacqueline Danforth, Director  
[jd@theidealconnection.com](mailto:jd@theidealconnection.com)  
Tel: (646) 831-6244

## 10) Issuer Certification

### **Principal Executive Officer:**

I, Dmitry Tsatskhin, certify that:

1. I have reviewed this annual disclosure for the fiscal year ended December 31, 2018 of Comepay Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 16, 2019

/s/ Dmitry Tsatskhin

President and Chief Executive Officer  
(Principal Executive Officer)

### **Principal Financial Officer:**

I, Dmitry Solomovich, certify that:

1. I have reviewed this annual disclosure for the fiscal year ended December 31, 2018 of Comepay Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

April 16, 2019

/s/ Dmitry Solomovich

Secretary and Treasurer  
(Principal Financial Officer)

**COMEPAY, INC.**  
**Condensed Consolidated Financial Statements**  
**For the years ended December 31, 2018 and 2017**  
**(Unaudited)**

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## NOTE TO READER

The condensed consolidated financial statements of Comepay, Inc. (f/k/a Great Rock Development Corp.) attached hereto are management prepared and have not been reviewed by an independent public accountant.

On September 15, 2017 the Company's sole officer and a member of the board of directors, Mr. John S. Wilkes, resigned all positions. Concurrently the Company's other director, Ms. Maria Gafter also resigned her position. Effective September 15, 2017, Mr. Ilya Kaplan was appointed to the Company's board of directors as sole officer and director. Upon the appointment of Mr. Kaplan to the board of directors the Company also completed a change in control whereby Mr. Kaplan became the controlling shareholder having acquired 733,980 (post reverse split) shares of common stock from various selling shareholders, including Mr. Wilkes and Ms. Gafter. Effective upon closing of the transactions, Mr. Kaplan held 64.1% of the total issued and outstanding common stock. Upon the completion of the aforementioned change in management and control the Company moved to acquire an operating business in the payment processing sector.

On January 23, 2018, the board of directors of the Company and its controlling shareholder, approved a name change to "Comepay, Inc.", a symbol change to CMPY and a reverse split on the basis of one new share for every 100 issued and outstanding shares. The name change and reverse split became effective March 1, 2018. The impact of the reverse split has been retroactively applied to all share and per share data contained herein. The authorized capital remained 750,000,000 common shares at par value \$0.001 per share following the split.

On March 1, 2018, in anticipation of the completion of a Share Exchange Agreement in respect of a targeted acquisition in the payment processing sector, the Company expanded its Board of Directors, and concurrently appointed new officers. Mr. Ilya Kaplan, our sole officer and director resigned from all positions, and the following individuals were appointed to fill the vacancies as noted:

Mr. Dmitry Tsatskhin – Chief Executive Officer and Director

Mr. Felix Naff - President and Director

Mr. Dmitry Solomovich – Secretary and Treasurer

Mr. Rasat Ibadov – Chief Operating Officer and Director

On March 7, 2018, effective March 22, 2018, the Company closed the aforementioned Share Exchange Agreement with Comepay Group Corp., a company incorporated in the Republic of Panama, and Roza Dizhechko, an individual, whereby the Company has acquired a 100% interest in four (4) operating entities (referred to collectively as "Comepay") in a two-stage process, for total consideration of 63,000,000 restricted shares of the Company's common stock, inclusive of 3,000,000 shares issued as a finders fee in connection with the transaction. The closing documents evidencing the share exchange were registered with the appropriate corporate offices on March 22, 2018. (Reference Note 3 to the financial statements included herein)

The Comepay group of companies including Comepay LLC, RP Systems LLC, M-NN LLC and Chek-online, LLC (including operations of related entity Kassir Soft, LLC) have been operating for over 11 years providing internet acquiring services and support, facilitating instant payments and internet-based payment transactions via kiosks, mobile interfaces and web-based applications such as electronic wallets. The Company also leases and sells cash registers and Point of Sale (POS) systems, including its recently developed line of proprietary multifunctional smart POS fiscal cash register systems known as the "Cassetka".

Recently the Company acquired Skytech LLC, a limited liability company registered in Russia, Ulyanovsk Region. Skytech is an independent processing company specializing in providing a wide range of processing services, focused on the aviation industry, as well as additional services. Skytech's operational software base is composed of the Wirecard Payment Gateway and TranzAxis platform from Compass Plus. The Company issued 4,000,000

shares in respect of the acquisition of Skytech, as well as 3,064,761 shares to settle debts of Skytech in the amount of US\$6,862,802 (EUR\$6 million) and paid a finder's fee of 706,476 shares in connection with the transaction. The effective closing date was December 27, 2018, at which time Skytech became a wholly owned subsidiary of the Company. (Note 4)

Skytech has a specialized software platform for the development and support of processing, banking, issuing and other subject systems and applications (operational, retail, accounting, analytical). Skytech has the ability to make changes to these applications, integrate and develop systems for current business tasks, as well as create other derivative products and/or develop stand-alone applications and systems.

Skytech's system has application in the following industries: e-commerce (provision of Internet acquiring services, creation of reports on operations to customers' demand, implementation and adaptation of mobile applications to ensure the receipt of all payment methods), utilities and bills, transport services (buying airline/railway tickets ), social sector (multipurpose student card, campus cards, a single information card with available payment function), development and implementation of modern payment methods and tools.

The Company expects to use the software base acquired in Skytech to more rapidly expand its product offerings in Russia to new industry targets, including aviation.

**COMEPAY, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	December 31, 2018	December 31, 2017
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 32,083	\$ 78,871
Accounts receivable	17,516,049	19,220,888
Tax receivable	128,357	-
Prepaid expenses	430,282	274,235
Loans receivable	288,213	92,222
Inventory	819,483	415,988
Total current assets	19,214,467	20,082,204
Property, plant and equipment, net	383,237	113,385
Intangible assets, net	4,569,632	1,341,228
Deferred tax assets	565,653	24,670
<b>TOTAL ASSETS</b>	<b>\$ 24,732,989</b>	<b>\$ 21,561,487</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,926,537	\$ 12,877,230
Accounts payable and accrued liabilities, related parties	584,470	-
Tax payable	681	-
Convertible notes payable, related parties	3,660,673	-
Loans payable – short term	1,264,298	7,111,193
Other current liabilities	6,569,151	7,922,938
Liabilities from discontinued operations (Note 3)	12,542	-
Total current liabilities	24,018,352	27,911,361
Loans payable – long term	4,896,240	1,002,000
Total liabilities	28,914,592	28,913,361
Stockholders' equity		
Class A Preferred Stock, \$0.001 par value: shares authorized 1,000,000; Nil shares issued and outstanding as December 31, 2018 and December 31, 2017	-	-
Common stock, \$0.001 par value: shares authorized 750,000,000; and 76,945,106 and 1,145,500 shares issued and outstanding as December 31, 2018 and December 31, 2017, respectively	76,945	1,146
Additional paid in capital	26,128,158	410,987
Retained deficit	(30,370,533)	(7,083,849)
Other comprehensive income	(16,173)	(680,158)
Total stockholders' equity	(4,181,603)	(7,351,874)
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$ 24,732,989</b>	<b>\$ 21,561,487</b>

The accompanying notes are an integral part of these unaudited condensed financial statements.



**COMEPAY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**AND OTHER COMPREHENSIVE INCOME**  
**(Unaudited)**

	For the Year Ended December 31,	
	2018	2017
Net revenues (Note 5)	\$ 11,832,829	\$ 13,996,233
Cost of revenues	<u>11,247,177</u>	<u>15,293,376</u>
Gross profit	<u>585,652</u>	<u>(1,297,143)</u>
Operating expenses:		
Selling expenses	474,794	313,990
Professional fees and consulting services	746,330	
General and administrative expenses	<u>101,879</u>	<u>-</u>
Total operating expenses	<u>1,323,003</u>	<u>313,990</u>
Income from operations	<u>(737,351)</u>	<u>(1,611,133)</u>
<b>Other income (expenses)</b>		
Impairment of goodwill	(16,054,494)	-
Loss on debt settlement	(1,874,962)	-
Other income	278,516	213,252
Interest expenses	(3,940,542)	(1,054,408)
Other expenses	<u>(1,078,627)</u>	<u>(352,997)</u>
<b>Total other income (expenses)</b>	<u>(22,670,109)</u>	<u>(1,194,153)</u>
Income tax expenses	<u>120,776</u>	<u>(6,449)</u>
<b>Net income (loss)</b>	<u>\$ (23,286,684)</u>	<u>\$ (2,811,735)</u>
<b>BASIC INCOME PER SHARE</b>	<u>\$ (0.43)</u>	<u>\$ (2.45)</u>
Weighted average shares outstanding - Basic and diluted	<u>54,773,302</u>	<u>1,145,000</u>
<b>Comprehensive income (loss)</b>		
Net income (loss)		
Effect of foreign currency translation	\$ (23,286,684)	\$ (2,811,735)
Comprehensive income (loss)	<u>663,985</u>	<u>(262,674)</u>
	<u>\$ (22,622,699)</u>	<u>\$ (3,074,409)</u>

The accompanying notes are an integral part of these unaudited condensed financial statements.

**COMEPAY, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT**  
**(Unaudited)**

	Common Stock		Additional	Other	Accumulated	Total
	Shares	Amount	Paid-in Capital	Comprehensive Income	Deficit	Shareholders Deficit
<b>Balance, December 31, 2016</b>	1,145,500	\$ 1,146	\$ 410,987	\$ (417,484)	\$ (4,272,114)	\$ (4,277,465)
Foreign currency translation adjustments				(262,674)		(262,674)
Loss for the period					(2,811,735)	(2,811,735)
<b>Balance, December 31, 2017</b>	1,145,500	1,146	410,987	(680,158)	(7,083,849)	(7,351,874)
Share exchange agreement and reverse acquisition	63,000,000	63,000	(372,872)			(309,872)
Share exchange agreement and business combination	4,000,000	4,000	10,996,000			11,000,000
Shares issued for services	706,476	706	1,942,103			1,942,809
Shares issued due to conversion of convertible notes	3,812,500	3,813	26,687			30,500
Shares issued to settle debts	4,280,630	4,280	10,866,580			10,870,860
Beneficiary conversion feature associated with convertible notes			2,258,673			2,258,673
Foreign currency translation adjustments				663,985		663,985
Loss for the period					(23,286,684)	(23,286,684)
<b>Balance, December 31, 2018</b>	<b>76,945,106</b>	<b>\$ 76,945</b>	<b>\$ 26,128,158</b>	<b>(16,173)</b>	<b>\$ (30,370,533)</b>	<b>\$ (4,181,603)</b>

The accompanying notes are an integral part of these unaudited condensed financial statements

**COMEPAY, INC.**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Unaudited)**

	For the years ended December 31,	
	2018	2017
Cash Flows from Operating Activities:		
Net income (loss)	\$(23,286,684)	\$ (2,811,735)
Subtract loss (gain) from sale of assets	(176)	97,041
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Depreciation and amortization	52,361	40,424
Impairment goodwill	16,054,494	
Interest expense from beneficial conversion feature	2,258,673	
Loss in debt settlement	1,874,962	
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(1,711,847)	(1,109,096)
Loans receivable and prepaid expenses	(453,391)	1,164,591
Inventory acquired	(518,908)	(189,309)
Deferred tax assets	(156,936)	389
Accounts payable and accrued liabilities	3,065,585	(412,066)
Accounts payable and accrued liabilities, related parties	584,470	-
Tax payable	-	(94,538)
Other current liabilities	-	2,777,932
Net Cash (used) in Operating Activities	<u>(2,237,397)</u>	<u>(536,367)</u>
 Cash Flows from Investing Activities		
Cash acquired from business combination	55	-
Purchase property, plant and equipment and intangible assets	(589,020)	(1,526,938)
Sale of property, plant, and equipment	42,323	-
Net cash provided from (used by) investing activities	<u>(546,642)</u>	<u>(1,526,938)</u>
 Cash Flows from Financing Activities		
Reductions to loans payable - short term	298,986	(441,437)
Loans payable - long term	(22,035)	1,002,000
Convertible notes payable, related parties	2,501,504	-
Net cash provided from (used by) financing activities	<u>2,778,455</u>	<u>560,563</u>
 Effects of exchange rates on cash	(41,204)	52,366
 Increase (decrease) in cash and cash equivalents		
Cash and cash equivalents at beginning of period	78,871	1,529,247
Cash and cash equivalents at end of period	<u>\$ 32,083</u>	<u>\$ 78,871</u>
 <b>Non-cash Investing and Financing Activities:</b>		
Liabilities acquired from recapitalization	\$ 309,872	\$ -
Loans payable reclassified to loans payable – long term	\$ 6,297,100	\$ -
Common stock issued to settle loan payable	\$ 10,870,860	\$ -
Common stock issued to settle liabilities from discontinued operation	\$ 30,500	\$ -
Net assets acquired from business combination	\$ (3,111,739)	\$ -

The accompanying notes are an integral part of these unaudited condensed financial statements.

**COMEPAY, INC.**  
**NOTES TO CONDENSED CONSOLIDATED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2018 and 2017**

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Business Activity:* Comepay, Inc. (f/k/a Great Rock Development Corporation) (the "Company") was incorporated on June 14, 1995 as Dragon Environmental Corporation in the State of Florida. On August 22, 2006, the Company changed its name to "Symposium Productions Corporation". On June 25, 2008, the Company changed its name to "Feed Global Corporation", and subsequently, on September 18, 2009, the corporate name was returned to "Symposium Productions Corporation". On February 16, 2010, The Company changed its name to "Gradient Wind Technologies, Inc.". On August 19, 2010, the Company changed its name to "Grid Cloud Solutions, Inc.". On December 28, 2011, the Company changed its name to "Byers Brook Resources Corp". On January 17, 2012, the Company name was changed to "Great Rock Development Corporation". Effective March 1, 2018 the Company changed its name to "Comepay, Inc.".

Up until September 15, 2017, the Company was a publicly traded research & development company with a focus on the development of technologies that assist mining and resource companies to extract greater value in gold and platinum mining.

On September 15, 2017 the Company's sole officer and a member of the board of directors, Mr. John S. Wilkes, resigned all positions. Concurrently the Company's other director, Ms. Maria Gafter also resigned her position. Effective October 10, 2017 each of Mr. Wilkes and Ms. Gafter agreed to waive all accrued and unpaid compensation up to the date of their respective resignations.

Also, effective September 15, 2017, Mr. Ilya Kaplan was appointed to the Company's board of directors as sole officer and director. Upon the appointment of Mr. Kaplan to the board of directors the Company also completed a change in control whereby Mr. Kaplan became the controlling shareholder having acquired 733,980 (post reverse split) shares of common stock from various selling shareholders, including Mr. Wilkes and Ms. Gafter. Effective upon closing of the transactions, Mr. Kaplan held 64.1% of the total issued and outstanding common stock. Upon the completion of the aforementioned change in management and control the Company moved to acquire an operating business in the payment processing sector.

On January 23, 2018, the board of directors of the Company and its controlling shareholder, approved a symbol change to CMPY and a reverse split on the basis of one new share for every 100 issued and outstanding shares. The reverse split became effective March 1, 2018. The impact of the reverse split has been retroactively applied to all share and per share data contained herein. The authorized capital remained 750,000,000 common shares at par value \$0.001 per share following the split. We are an alternative reporting company trading on the OTC Pink Markets under the symbol "CMPY".

On March 1, 2018, in anticipation of the completion of a Share Exchange Agreement in respect of a targeted acquisition in the payment processing sector, the Company expanded its Board of Directors, and concurrently appointed new officers. Mr. Ilya Kaplan, our sole officer and director resigned from all positions.

On March 7, 2018, effective March 22, 2018, the Company closed the aforementioned Share Exchange Agreement with Comepay Group Corp., a company incorporated in the Republic of Panama, and Roza Dizhechko, an individual, whereby the Company has acquired a 100% interest in four (4) operating entities (referred to collectively as "Comepay Group") in a two-stage process, for total consideration of 63,000,000 restricted shares of the Company's common stock, inclusive of 3,000,000 shares issued as a finders fee in connection with the transaction.

**COMEPAY, INC.**  
**NOTES TO CONDENSED CONSOLIDATED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2018 and 2017**

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Due to the limited operations of the Company prior to the share exchange, the Company has treated the acquisition as a capital transaction in substance, rather than a business combination. The transaction is a reverse recapitalization, equivalent to the issuance of stock by the private companies for the net monetary assets of the parent corporation accompanied by a recapitalization. The accounting is similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets are recorded. The financial statements subsequent to the date of the exchange transaction are presented as a continuation of the business of the acquired companies, and all operations of Comepay, Inc., up to the exchange transaction are allocated to additional paid in capital and/or retained earnings. The Comepay Group includes Comepay LLC, RP Systems LLC, M-NN LLC and Chek-online, LLC (with operations of related entity Kassir Soft LLC) which entities have been operating for over 11 years providing internet acquiring services and support, facilitating instant payments and internet-based payment transactions via kiosks, mobile interfaces and web-based applications such as electronic wallets. Comepay Group also leases and sells cash registers and Point of Sale (POS) systems, including its recently developed line of proprietary multifunctional smart POS fiscal cash register systems, known as the "Cassetka".

In December 2018 the Company acquired Skytech LLC, a limited liability company registered in Russia, Ulyanovsk Region. Skytech is an independent processing company specializing in providing a wide range of processing services, focused on the aviation industry, as well as additional services. Skytech's operational software base is composed of the Wirecard Payment Gateway and TranzAxis platform from Compass Plus. The Company issued 4,000,000 shares in respect of the acquisition of Skytech, as well as 3,064,761 shares to settle debts of Skytech in the amount of US\$6,862,802 (EUR\$6 million) and paid a finder's fee of 706,476 shares in connection with the transaction. The effective closing date was December 27, 2018, at which time Skytech became a wholly owned subsidiary of the Company. (Note 4)

Skytech has a specialized software platform for the development and support of processing, banking, issuing and other subject systems and applications (operational, retail, accounting, analytical). Skytech has the ability to make changes to these applications, integrate and develop systems for current business tasks, as well as create other derivative products and/or develop stand-alone applications and systems.

*Principal of Consolidation:* These condensed consolidated financial statements include the accounts of Comepay, Inc. and wholly-owned subsidiaries, Comepay LLC, Chek Online, LLC (including related entity Kassir Soft LLC), RP Systems, M-NN and Skytech. All intercompany balances and transactions have been eliminated in consolidation.

*Basis of Presentation:* The unaudited condensed consolidated financial statements have been prepared by the Company in accordance with accounting principles generally accepted in the United States ("GAAP").

*Fiscal year end:* The Company has selected December 31 as its fiscal year end.

*Use of Estimates:* The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be based upon amounts that differ from these estimates.

*Cash Equivalents:* The Company considers all highly liquid investments with maturities of 90 days or less from the date of purchase to be cash equivalents.

**COMEPAY, INC.**  
**NOTES TO CONDENSED CONSOLIDATED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**Years Ended December 31, 2018 and 2017**

1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

*Property and Equipment:* Property and equipment are recorded at cost. Depreciation and amortization on property and equipment are determined using the straight-line method over the three to five year estimated useful lives of the assets.

*Revenue Recognition:* Effective January 1, 2018, the Company adopted ASC 606 — Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue from kiosk payment processing fees, Kiosk placement rental and leasing income, sales of products and services, recurring monthly data subscription costs and software usage fees and the sale of associated hardware by applying the following steps: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to each performance obligation in the contract; and (5) recognize revenue when each performance obligation is satisfied. For the comparative periods, revenue has not been adjusted and continues to be reported under ASC 605 — Revenue Recognition. Under ASC 605, revenue is recognized when the following criteria are met: (1) persuasive evidence of an arrangement exists; (2) the performance of service has been rendered to a customer or delivery has occurred; (3) the amount of fee to be paid by a customer is fixed and determinable; and (4) the collectability of the fee is reasonably assured.

All hardware, installation and other product sales are recorded when an active acceptance is received from the customer. Income derived from commission on kiosk and e-wallet processing fees are recorded when deposited to our account and are reconciled monthly. Income derived from recurring monthly kiosk location leasing fees and other monthly subscription-based services are recorded when invoiced.

*Inventory:* Inventories are stated at cost. Cost is determined based on the actual cost incurred to acquire parts and equipment with respect to each installation and service project. The Company maintains a limited inventory of parts for use in the maintenance of service contracts. The majority of inventory on hand is computer, networking and control equipment acquired for specific installation projects and is held on hand at the site of the customer or the general contractor of the customer. The Company does not maintain inventory on their premises. Upon signing the act of acceptance by the customer all inventory, on site and installed, becomes the property of the customer.

*Property and Equipment:* Property and equipment are stated at cost less accumulated depreciation and are depreciated using the straight-line method over the assets' estimated useful lives.

*Foreign Currency Translation:* The Company's functional currency is the Russian Ruble (RUB) and the reporting currency is the U.S. Dollar (USD). All transactions initiated in RUB are translated into USD in accordance with ASC 830-30, "Translation of Financial Statements," as follows:

- i) Assets and liabilities at the rate of exchange in effect at the balance sheet date.
- ii) Equity at historical rates.
- iii) Revenue and expense items at the average rate of exchange prevailing during the period.

Adjustments arising from such translations are included in accumulated other comprehensive income (loss) ("AOCI") and reflected as a separate component of equity.

*Comprehensive Income:* FASB ASC 220, "Comprehensive Income", establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income, as defined, includes all changes in equity during a period, exclusive of shareholder transactions. Accordingly, comprehensive income (loss) may include certain changes in shareholders' equity (deficit) that are excluded from net income (loss).

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1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

*Income taxes:* The Company has adopted ASC Topic 740, "Income Taxes". ASC Topic 740 requires the use of the asset and liability method of accounting for income taxes. Under the asset and liability method of ASC Topic 740, deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

*Stock-based compensation:* For stock-based compensation the Company follows the guidance codified in the Compensation – Stock Compensation Topic of FASB ASC ("ASC 718"). The Company determines the value of stock issued at the date of grant. It also determines at the date of grant, the value of stock at fair market value or the value of services rendered (based on contract or otherwise) whichever is more readily determinable.

*Basic and Diluted Loss Per Share:* In accordance with ASC Topic 280 – "Earnings Per Share", the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. As at December 31, 2018 there were a total of 1,567,750 and 6,422,232 shares available for issuance upon conversion of certain convertible notes payable at \$0.008 and \$0.57 per share, respectively.

*Convertible debt and beneficial conversion features:* The Company evaluates embedded conversion features within convertible debt under ASC 815 "Derivatives and Hedging" to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings. If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20 "Debt with Conversion and Other Options" for consideration of any beneficial conversion features.

*Fair Value:* As defined in authoritative guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date ("exit price"). To estimate fair value, the Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable.

The authoritative guidance establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities ("Level 1" measurements) and the lowest priority to unobservable inputs ("Level 3" measurements). The three levels of the fair value hierarchy are as follows:

Level 1 - Observable inputs such as quoted prices in active markets at the measurement date for identical, unrestricted assets or liabilities.

Level 2 - Other inputs that are observable, directly or indirectly, such as quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 - Unobservable inputs for which there is little or no market data and which the Company makes its own assumptions about how market participants would price the assets and liabilities.

In instances in which multiple levels of inputs are used to measure fair value, hierarchy classification is based on the lowest level input that is significant to the fair value measurement in its entirety. The assessment of the significance

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1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

*Fair Value (Cont'd):* of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

*Reclassifications:* Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation.

*Recent Accounting Pronouncements:* The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

2. DISCONTINUED OPERATIONS

As a result of transactions completed on September 5, 2017 and September 15, 2017, the Company experienced a change in control and determined to discontinue its former operations and enter into negotiations to acquire operations in a new business segment. As a result, retroactive to June 30, 2017, the Company discontinued all operations associated with the Company's former line of business: research and development of technologies that assist mining companies in extracting greater value from gold and platinum mining.

During the six months ended June 30, 2017, the Company determined to expense its previously capitalized research and development costs in the amount of \$188,300 effective December 31, 2016, and concurrently has restated its financial statements to reclassify all liabilities that do not relate to the current and planned operation of the Company as "Liabilities from discontinued operations". Included therein are two non-interest bearing promissory notes between the Company and Maria Gafter (formerly a director of the Company) entered into December 31, 2015 and August 1, 2017, respectively, in the cumulative amount of \$22,542 and a convertible promissory note payable to a third party with a current balance of \$19,540, including accrued interest at the rate of 10% per annum and convertible into shares of common stock at \$0.0025 per share, or in the event of default, at par value, or at a rate of half of the average bid price over the last five trading days, whichever is lower, but in no case for an amount more than a 51% interest in the Company. Total liabilities from discontinued operations at December 31, 2018 and December 31, 2017 were \$12,542 and \$42,132, respectively. During the third quarter of fiscal 2017, the aforementioned notes and all accrued interest thereon were assigned to third parties. In addition, the notes were renegotiated to provide fixed conversion terms into shares of the Company's common stock at \$0.008 (post reverse split) per share. See Note 5 – Convertible Notes.

Further the Company's former management agreed to write off all accrued liabilities to June 30, 2017 effective October 10, 2017 and these amounts were retroactively recorded as a gain in the Company's income statement under "Income (loss) from discontinued operations" up until December 31, 2017. During the first quarter in 2018, the Company completed a recapitalization and reverse merger which required the allocation of prior period operations to retained earnings and/or additional paid in capital in order to conform with current period presentation.

During the twelve months ended December 31, 2018, 3,812,500 shares were issued to settle certain of the aforementioned convertible notes in the amount of \$30,500 including interest expenses accrued thereon.

3. ACQUISITION OF COMEPAY GROUP

On March 7, 2018, and effective March 22, 2018, the Company closed a Share Exchange Agreement with Comepay Group Corp., a company incorporated in the Republic of Panama, and Roza Dizhechko, an individual, whereby the Company has acquired a 100% interest in four (4) operating entities (referred to collectively as "Comepay Group") in a two-stage process, for total consideration of 63,000,000 restricted shares of the Company's common stock,



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3. ACQUISITION OF COMEPAY GROUP (cont'd)

inclusive of 3,000,000 shares issued as a finders fee in connection with the transaction. As a result of the completion of this acquisition, Comepay Group is now the Company's wholly-owned subsidiary.

The aforementioned business combination was accounted for as a reverse acquisition and recapitalization using accounting principles applicable to reverse acquisitions whereby the financial statements subsequent to the date of the transaction are presented as a continuation of Comepay Group and all operations of Comepay, Inc., up to the exchange transaction are allocated to additional paid in capital and/or retained earnings. Under reverse acquisition accounting Comepay (subsidiary) is treated as the accounting parent (acquirer) and the Company (parent) is treated as the accounting subsidiary (acquiree). No goodwill or other intangible assets are recorded. All outstanding shares have been restated to reflect the effect of the business combination. As a result of the aforementioned transactions a total of 1,144,741 shares of the Company's common stock issued and outstanding at December 31, 2017 are reflected as part of the recapitalization transactions impacted March 7, 2018.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed relative to the Parent company operations, at the business combination transaction date:

Cash and bank balance	\$ -
Other receivable and deposits	1,402,000
Total identifiable assets	<u>\$ 1,402,000</u>
Other payables and accruals	\$ 110,078
Amounts due to related parties	157,168
Note payable, related parties	1,402,000
Liabilities from discontinued operation	42,624
Total identifiable liabilities	<u>\$ 1,711,870</u>
Net identifiable assets	<u>\$ (309,870)</u>

4. BUSINESS COMBINATION

On August 3, 2018, the Company entered into a Letter of Intent ("LOI") to acquire Skytech, LLC ("Skytech"), a limited liability company registered in Russia, Ulyanovsk Region. Skytech is an independent processing company specializing in providing a wide range of processing services, focused on the aviation industry, as well as additional services. Skytech's operational software base is composed of the Wirecard Payment Gateway and TranzAxis platform from Compass Plus.

Skytech has a specialized software platform for the development and support of processing, banking, issuing and other subject systems and applications (operational, retail, accounting, analytical). Skytech has the ability to make changes to these applications, integrate and develop systems for current business tasks, as well as create other derivative products and/or develop stand-alone applications and systems.

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4. BUSINESS COMBINATION (cont'd)

Under the terms of the Share Exchange Agreement, the Company issued 4,000,000 shares in respect of the acquisition of Skytech, as well as 3,064,761 shares to settle debts of Skytech in the amount of US\$6,862,802 (EUR\$6 million) and paid a finder's fee of 706,476 shares in connection with the transaction. The effective closing date was December 27, 2018, at which time Skytech became a wholly owned subsidiary of the Company.

The transaction has been valued at \$11,000,000 or \$2.75 per share, based at the closing price of the Company's stock as traded on the OTCMarkets on the date of closing in respect to the issuance of the 4,000,000 shares to the shareholders of Skytech. The allocation of the purchase price totaling \$11,000,000, is as follows:

At December 27, 2018	<u>Book value</u>	<u>Fair value adjustments</u>	<u>Fair value</u>
<b>Net assets acquired</b>			
Cash	\$ 55	\$ -	\$ 55
Accounts receivable	13,828	-	13,828
Tax receivable	128,357	-	128,357
Property, plant and equipment, net	311,307	-	311,307
Intangible assets, net	2,982,774	-	2,982,774
Deferred tax assets	401,670	-	401,670
Accounts payable and accrued liabilities	(38,798)	-	(38,798)
Tax payable	(681)	-	(681)
Other current liabilities	(1,232,090)	-	(1,232,090)
Loans payable – long term	<u>(5,678,107)</u>	<u>-</u>	<u>(5,678,107)</u>
Total consideration	<u>\$ (3,111,685)</u>	<u>\$ -</u>	<u>\$ (3,111,685)</u>

**Satisfied:**

4,000,000 shares of common stock based on quoted market value of common stock issuable as closing date	\$ 11,000,000
706,476 shares of common stock based on quoted market value of common stock issuable as closing date	<u>1,942,809</u>
Goodwill	\$ 16,054,494

Upon review, the Company has fully impaired the Goodwill as of the transaction date. While the Company expects the assets acquired to commence revenue generation in fiscal 2019, there can be no assurance the Company will realize revenues sufficient to recover the fair Value of the investment in the near term.

As noted above, concurrent with the acquisition, the Board of Directors approved the issuance of 3,064,761 common shares to several third parties, including the shareholders of Skytech, to settle certain debts of Skytech totaling EUR 6,000,000 (USD\$6,862,802). The Company valued those issuances at the closing price of the Company's stock as traded on the OTCMarkets on the date of December 27, 2018 and recorded loss on debt settlement of \$1,565,290.

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5. REVENUES

Revenues as presented are net of direct costs of sales and intercorporate sales have been eliminated in consolidation. During fiscal 2018, the Company determined to terminate certain contracts for underperforming payment kiosks resulting in a substantive reduction in overall operating costs, which resulted in an increase to revenues, net, period over period. Further, sales of the Cassetka product line introduced during Q2 of fiscal 2018 also contributed to the increase in net sales, and gross profit during the year ended 2018, as compared to fiscal 2017.

6. LOANS RECIEVABLE AND PREPAID EXPENSES

Loans receivable and prepaid expenses predominantly consist of deposits paid to third party manufacturers and export agents in relation to the Company's new hand held Cassetka units. Additionally, certain short-term demand loans made to third parties included in the loans receivable totaled \$288,213 and \$92,211 at December 31, 2018 and December 31, 2017, respectively.

7. ACCOUNTS RECIEVABLE AND ACCOUNTS PAYABLE

Accounts receivable and accounts payable balances as at December 31, 2018 and December 31, 2017 include unsettled contracts at the cut off dates relative to earned income from kiosk payment commissions due from payment partners and related agent commissions payable to the operating agents. Income from commissions and payments to agents generally require 3 days for settlement from the transaction processing date which account for the large balances of trade payables and trade receivables on any single date.

8. LOANS PAYABLE

The Company's subsidiaries have secured various loans payable on commercial terms with various unrelated third parties. Loans are generally due within twelve months or are on demand and require minimum quarterly payments of interest and/or a combination of payment of interest and principal.

9. CONVERTIBLE NOTES PAYABLE

*Convertible Notes included in Discontinued Liabilities:*

The Company has certain Convertible Notes with third parties providing for a fixed conversion feature at \$0.008 per share (post reverse split). The beneficial conversion feature associated with these notes was expensed in prior periods. As at December 31, 2018 a total of \$12,542 remained due and payable in respect to the aforementioned notes, all of which is non-interest bearing.

A further \$30,500 was settled by the issuance of 3,812,500 shares of common stock in 2018. (Ref: Notes 2 and 10).

*Convertible notes with a minority shareholder:*

On December 11, 2017 the Company and a company controlled by a minority shareholder (the "Lender") entered into a loan treaty (the "Treaty") where under the Lender shall provide loans in the amount of up to Twenty Million US Dollars (\$20,000,000). Each loaned amount provided under the Treaty shall have a term of twelve (12) months for repayment and shall be secured by a Promissory Note bearing interest at 8% per annum.

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9. CONVERTIBLE NOTES PAYABLE (cont'd)

*Convertible notes with a minority shareholder:(cont'd)*

On January 1, 2018 the Company and the Lender entered into certain modifications to the Treaty and underlying promissory note payable in order to provide for fixed conversion terms for amounts outstanding into shares of common stock at a price of \$0.57 per share. On the date of the modification, the fair market value of the Company's common stock was \$1.70 per share, and as a result the Company has recorded a loss as a result of the beneficial conversion feature which amount was expensed prior to the recapitalization as discussed more fully in Note 3.

An amount totaling \$1,402,000 remains due and payable at December 31, 2018 in respect of the notes underlying this Treaty. Interest expenses of \$113,221 were accrued to accounts payable during the twelve months ended December 31, 2018 in respect of the aforementioned convertible notes payable. The funds provided were used as deposits for manufacturing costs related to our fiscal cash register product, the Cassetka.

During the twelve months ended December 31, 2018, the shareholder issued various additional convertible promissory notes in the accumulated amount of \$2,258,673 under the terms of the Treaty. A total of US\$500,000 has been used to retire a portion of certain long-term debt, a total of \$233,294 to settle outstanding invoices and the remaining funds have been applied to general working capital and inventory requirements. Interest expenses of \$71,249 were accrued to accounts payable during the twelve months ended December 31, 2018. The notes in the amount of \$2,258,673 have fixed conversion terms whereby the debt may be converted to shares of common stock at a price of \$0.57 per share. On the date of the modification, the fair market value of the Company's common stock was between \$1.75 to \$2.75 per share, and as a result the Company has recorded interest expenses as a result of the beneficial conversion feature in the amount of \$2,258,673 relative to the notes issued in the period.

Total amounts payable under the aforementioned loan treaty totaled \$3,660,673 and \$1,002,000 as at December 31, 2018 and December 31, 2017 respectively.

10. COMMON STOCK

The Company has authorized a total of 750,000,000 shares of Common Stock, par value \$0.001, and 1,000,000 shares of Class A Preferred Stock, par value \$0.001. Each share of common stock carries one vote per share in all matters requiring a vote of shareholders. Shares of Class A Preferred Stock have the right to convert to shares of common stock at half the bid price of the Company's common stock on the day preceding the election notice received from any holder of such class. Further, upon liquidation, holders of Class A Preferred Stock are entitled to recover an amount equal to the book value of their shares prior to any distributions to holders of the Company's common stock. Prior to payment of any dividends to holders of the Company's common stock, holders of Class A Preferred Stock shall receive annual dividends of \$0.01 per share on an accumulative basis. Other than with reference to matters affecting the attributes of the Class A Preferred Stock, holders of Class A Preferred shares have no voting rights.

On January 23, 2018, the board of directors of the Company and its controlling shareholder, approved a reverse split on the basis of one new share for every 100 issued and outstanding shares. The reverse split became effective March 1, 2018 and has been retroactively applied to all share and per share figures included herein.

During the three months ended March 31, 2018 the Company issued 63,000,000 shares in exchange for the acquisition of certain operating companies based in Russia. (ref: Note 3).

During the twelve months ended December 31, 2018, 3,812,500 shares were issued to settle certain convertible debt. (ref: Note 2 and 9).

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10. COMMON STOCK (cont'd)

During the twelve months ended December 31, 2018, 1,207,484 shares were issued to settle certain loans payable by the Company's subsidiary, Comepay LLC valued at \$1.75 per share.

On December 27, 2018, the Company agreed to issue 4,000,000 shares in exchange for the acquisition of an operating company based in Russia. We issued a further 706,476 shares as a finder's fee in respect of the transaction. Concurrently the Company agreed to issue 3,064,761 shares to settle certain debt by the acquired subsidiary, Skytech. The shares were administratively issued in fiscal 2019 but are included in the issued share data at December 31, 2018. The shares were valued at fair market value as of the agreed issuance date, December 27, 2018, or \$2.75 per share. (ref: Note 4)

During the twelve months ended December 31, 2018, 8,385 shares were issued to settle legal services provided to the Company valued at \$2.39 per share as of the date of issuance.

As at December 31, 2018 and December 31, 2017 there were a total of 76,945,106 and 1,145,500 common shares issued and outstanding, including a total of 759 rounding shares issued upon impact of the aforementioned reverse split, and Nil shares of Class A Preferred stock.

11. RELATED PARTY TRANSACTIONS

During the normal course the Company's controlled subsidiaries carry out intercorporate transactions including:

- (1) Short term loans; and,
- (2) Sales of products and services.

Intercompany transactions are carried out on commercial terms and have been eliminated from the condensed consolidated financial statements.

12. OTHER EVENTS

On October 15, 2017 the Company entered into a consulting agreement with SD Mitchell & Associates PLC for provision of certain legal and corporate services. The term of the agreement is for a period of one year commencing November 1, 2017 at a rate of \$2,500 per month.

On March 1, 2018, in anticipation of the completion of the Share Exchange Agreement more fully described in Note 3 above, the Company expanded its Board of Directors, and concurrently appointed new officers. Mr. Ilya Kaplan, our sole officer and director resigned from all positions, and the following individuals were appointed to fill the vacancies as noted:

Mr. Dmitry Tsatskhin – Chief Executive Officer and Director  
Mr. Felix Naff - President and Director  
Mr. Dmitry Solomovich – Secretary and Treasurer  
Mr. Rasat Ibadov – Chief Operating Officer and Director

13. SUBSEQUENT EVENTS

On April 11, 2019 the Company and Wirecard Asia Holding Pte Ltd. entered into a loan agreement with a maturity date of December 31, 2019 whereunder the Company will receive \$2,497,000 subject to certain terms and conditions. The loan accrues interest at a rate of 5% per annum payable on maturity. Funds will be used expressly for inventory requirements including freight, shipping and duties.