



## **OXXY GROUP PLC**

### **REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

31 December 2017

# **OXXY GROUP PLC**

---

## **REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

31 December 2017

<b>CONTENTS</b>	<b>PAGE</b>
Board of Directors and other officers	1
Management Report	2 - 3
Independent auditor's report	4 - 7
Consolidated statement of profit or loss and other comprehensive income	8
Consolidated statement of financial position	9
Consolidated statement of changes in equity	10
Consolidated cash flow statement	11
Notes to the consolidated financial statements	12 - 26

# OXXY GROUP PLC

---

## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Aston Management (Cyprus) Limited Dimitar Dimitrov
<b>Company Secretary:</b>	White November Corporate Services (Cyprus) Limited
<b>Independent Auditors:</b>	FinExpertiza Cyprus HPA Certified Public Accountants and Registered Auditors 1 Chatzidaki Street Ledras Court, Office 501 1066, Nicosia Cyprus
<b>Registered office:</b>	Office M102 25 Michalakopoulou Street 1075 Nicosia Cyprus
<b>Bankers:</b>	Bank of Cyprus Public Company Ltd ProCredit Bank (Bulgaria) EAD SATA Bank Plc SEB
<b>Registration number:</b>	HE307150

# OXXY GROUP PLC

---

## MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2017.

### **Principal activities and nature of operations of the Group**

The principal activities of the Group, which are unchanged from last year, are the development and operation of web design and online publishing software.

### **Review of current position, future developments and performance of the Group's business**

The Group's development to date, financial results and position in the financial statements are considered satisfactory although the Group reports a loss for the year of €241,803 (2016: €219,915).

The Group's activities continue to be supported by its shareholders for the foreseeable future.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Group are disclosed in notes 3 and 4 of the consolidated financial statements.

#### **Interest rate risk**

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

#### **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities - primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Group does not hold collateral as security.

#### **Liquidity risk**

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

#### **Results**

The Group's results for the year are set out on page 8.

#### **Research and development activities**

The Group expenditure on research and development for the year amounted to €146,635 (2016: €267,185).

#### **Share capital**

##### **Authorised capital**

On 18 December 2017 the authorised share capital of the Company was increased from €150,000 to €350,000.

# OXXY GROUP PLC

---

## MANAGEMENT REPORT

### **Issued capital**

On 23 March 2017, the Board of Directors approved the issue of 1,500 new shares in a private placement to a private investor at a subscription price of NOK30.00 per share totaling NOK45,000 (€4,920) as the consideration paid for the purchase of Branding Services.

The above mentioned conversions increased the issued share capital of the Company from 10,319,913 ordinary shares to 10,321,413.

On 21 December 2017 the Company entered into an agreement with European High Growth Opportunities Securitization Fund for issue of Convertible Notes with Warrants attached of a total amount up to €12,000,000.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2017 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2017.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 20 to the consolidated financial statements.

### **Independent Auditors**

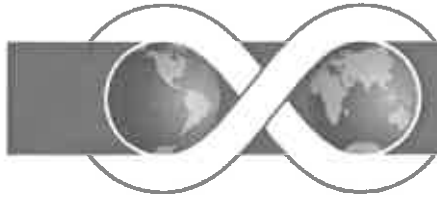
The Independent Auditors, FinExpertiza Cyprus HPA, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



White November Corporate Services (Cyprus) Limited  
Secretary

Nicosia, 22 June 2018



## **Independent Auditor's Report**

### **To the Members of Oxy Group Plc**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the accompanying consolidated financial statements of Oxy Group Plc (the "Company"), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

##### **Basis for Opinion**

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

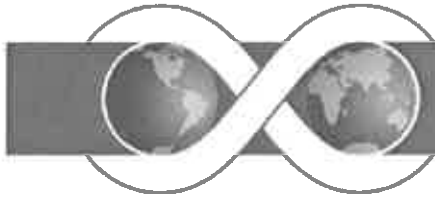
##### **Material Uncertainty Related to the Fair Value of the software system**

We draw attention to note 12 of the financial statements which describes the valuation technique of the software system whereby is classified as Level 3 in the hierarchy of fair values. Even though the Directors of the Company considered in their assessment the last traded price of the Company's shares when listed in Oslo Exchange and the price for approval for listing on the Vienna Stock Exchange, the share price was obtained from a secondary market with minimal activity of trading of the Company's shares. Due to the above and due to the industry that the Company operates in which there is high uncertainty about future financial results, the fair value of the software system is subject to volatile changes. Our opinion is not modified in respect of this matter.

##### **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



## **Independent Auditor's Report (continued)**

### **To the Members of Oxy Group Plc**

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Board of Directors for the consolidated financial statements**

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

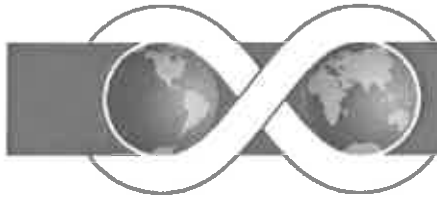
The Board of Directors is responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



## **Independent Auditor's Report (continued)**

### **To the Members of Oxy Group Plc**

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

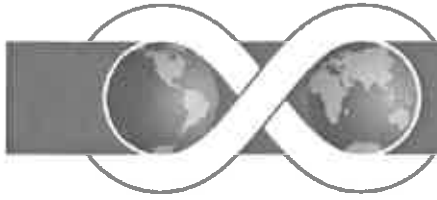
We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal Requirements**

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.





## **Independent Auditor's Report (continued)**

### **To the Members of Oxy Group Plc**

#### **Other Matter**

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Michael J. Hadjihannas  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**FinExpertiza Cyprus HPA**  
Certified Public Accountants and Registered Auditors

Nicosia, 22 June 2018

## OXXY GROUP PLC

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

31 December 2017

	Note	2017 €	2016 €
<b>Revenue</b>	6	<b>17,374</b>	3,570
Administration expenses		<u>(267,767)</u>	(219,198)
<b>Operating loss</b>	7	<b>(250,393)</b>	(215,628)
Finance income	8	<b>14,694</b>	-
Finance expenses	8	<u>(6,104)</u>	(4,287)
<b>(Loss) before tax</b>		<b>(241,803)</b>	(219,915)
Tax	9	<u>-</u>	-
<b>Net loss for the year</b>		<b>(241,803)</b>	(219,915)
<b>Other comprehensive income</b>			
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		(7)	(22)
Intangible assets - Fair value gain		<u>29,918,309</u>	-
<b>Other comprehensive income/(expense) for the year</b>		<b>29,918,302</b>	(22)
<b>Total comprehensive income/(expense) for the year</b>		<b>29,676,499</b>	(219,937)
<b>Loss per share attributable to equity holders of the parent (cent)</b>	10	<b>(2.52)</b>	(2.93)

The notes on pages 12 to 26 form an integral part of these consolidated financial statements.

# OXXY GROUP PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2017

	Note	2017 €	2016 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	3,068	5,625
Intangible assets	12	<u>30,965,139</u>	<u>900,195</u>
		<u>30,968,207</u>	<u>905,820</u>
<b>Current assets</b>			
Receivables	13	10,215	16,536
Cash and cash equivalents		<u>1,650</u>	<u>31,310</u>
		<u>11,865</u>	<u>47,846</u>
<b>Total assets</b>		<u>30,980,072</u>	<u>953,666</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	96,018	95,999
Share premium		575,438	569,375
Fair value reserve - Intangible assets		29,918,309	-
Translation reserve		(21)	(14)
Accumulated losses		<u>(526,290)</u>	<u>(284,487)</u>
<b>Total equity</b>		<u>30,063,454</u>	<u>380,873</u>
<b>Current liabilities</b>			
Trade and other payables	16	397,534	184,790
Deferred income		10,744	2,146
Bank overdrafts		2,193	-
Payable to shareholder	16	<u>506,147</u>	<u>385,857</u>
		<u>916,618</u>	<u>572,793</u>
<b>Total equity and liabilities</b>		<u>30,980,072</u>	<u>953,666</u>

On 22 June 2018 the Board of Directors of Oxy Group Plc authorised these consolidated financial statements for issue.

  
.....  
Aston Management (Cyprus) Limited  
Director

  
.....  
Dimitar Dimitrov  
Director

The notes on pages 12 to 26 form an integral part of these consolidated financial statements.

# OXXY GROUP PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2017

	Note	Share capital €	Share premium €	Fair value reserve €	Advances for future share capital increase €	Translation reserve €	Accumulated losses €	Total €
<b>Balance at 1 January 2016</b>		<b>26,000</b>	-	-	<b>475,000</b>	<b>8</b>	<b>(64,572)</b>	<b>436,436</b>
<b>Comprehensive income</b>								
Net loss for the year		-	-	-	-	-	(219,915)	(219,915)
Other comprehensive expense for the year		-	-	-	-	(22)	-	(22)
Total comprehensive expense for the year		-	-	-	-	(22)	(219,915)	(219,937)
<b>Transactions with owners</b>								
Issue of share capital	14	69,999	569,375	-	(475,000)	-	-	164,374
Total transactions with owners		69,999	569,375	-	(475,000)	-	-	164,374
<b>Balance at 31 December 2016/ 1 January 2017</b>		<b>95,999</b>	<b>569,375</b>	-	-	<b>(14)</b>	<b>(284,487)</b>	<b>380,873</b>
<b>Comprehensive income</b>								
Net loss for the year		-	-	-	-	-	(241,803)	(241,803)
Other comprehensive income/(expense) for the year		-	-	29,918,309	-	(7)	-	29,918,302
Total comprehensive income/(expense) for the year		-	-	29,918,309	-	(7)	(241,803)	29,676,499
<b>Transactions with owners</b>								
Issue of share capital	14	15	4,897	-	-	-	-	4,912
Payments for the unpaid capital		4	1,166	-	-	-	-	1,170
Total transactions with owners		19	6,063	-	-	-	-	6,082
<b>Balance at 31 December 2017</b>		<b>96,018</b>	<b>575,438</b>	<b>29,918,309</b>	-	<b>(21)</b>	<b>(526,290)</b>	<b>30,063,454</b>

Share premium is not available for distribution.

The notes on pages 12 to 26 form an integral part of these consolidated financial statements.

# OXXY GROUP PLC

## CONSOLIDATED CASH FLOW STATEMENT

31 December 2017

	Note	2017 €	2016 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>(Loss) before tax</b>		<b>(241,803)</b>	(219,915)
Adjustments for:			
Depreciation of property, plant and equipment	11	<b>2,557</b>	2,558
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		<b>(7)</b>	(22)
Unrealised exchange loss		-	22,997
		<b>(239,253)</b>	(194,382)
<b>Changes in working capital:</b>			
Decrease/(increase) in receivables		<b>6,321</b>	(22,331)
Increase in trade and other payables		<b>212,744</b>	114,966
Increase in deferred income		<b>8,598</b>	2,146
<b>Cash used in operations</b>		<b>(11,590)</b>	(99,601)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for research and development	12	<b>(146,635)</b>	(267,185)
Payment for purchase of property, plant and equipment	11	-	(5,627)
<b>Net cash used in investing activities</b>		<b>(146,635)</b>	(272,812)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		<b>6,082</b>	148,343
Proceeds from loan from shareholder		<b>120,290</b>	167,861
<b>Net cash generated from financing activities</b>		<b>126,372</b>	316,204
<b>Net decrease in cash and cash equivalents</b>		<b>(31,853)</b>	(56,209)
Cash and cash equivalents at beginning of the year		<b>31,310</b>	87,519
<b>Cash and cash equivalents at end of the year</b>		<b>(543)</b>	31,310

The notes on pages 12 to 26 form an integral part of these consolidated financial statements.

# OXXY GROUP PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Oxy Group Plc (the "Company") was incorporated in Cyprus on 30 May 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at office M102, 25 Michalakopoulou Street, 1075 Nicosia, Cyprus.

#### Principal activities

The principal activities of the Group, which are unchanged from last year, are the development and operation of web design and online publishing software.

### 2. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

#### Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements are presented in Euro (€) which is the functional currency of the Group.

#### Adoption of new and revised IFRSs

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2017. This adoption did not have a material effect on the accounting policies of the Group.

#### Standards issued but not yet effective

Up to the date of approval of the consolidated financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Group has not early adopted, as follows:

##### (i) Issued by the IASB and adopted by the European Union

###### New standards

- IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2018).
- IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).

##### (ii) Issued by the IASB but not yet adopted by the European Union

###### New standards

- IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019).
- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021).

###### Amendments

- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018).

# OXXY GROUP PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 2. Significant accounting policies (continued)

#### Adoption of new and revised IFRSs (continued)

##### (ii) Issued by the IASB but not yet adopted by the European Union (continued)

- Amendments to IFRS 4: Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2018).
- Clarifications to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018).
- Annual Improvements to IFRSs 2014–2016 Cycle (issued on 8 December 2016) (effective for annual periods beginning on or after 1 January 2018)
- Amendments to IAS 40: "Transfers of Investment Property" (effective for annual periods beginning on or after 1 January 2018).

##### New IFRICs

- IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after 1 January 2018).
- IFRIC Interpretation 23 "Uncertainty over Income Tax Treatments" (effective for annual periods beginning on or after 1 January 2019).

The above are expected to have no significant impact on the Group's consolidated financial statements when they become effective.

#### Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company Oxy Group Plc and the financial statements of the following subsidiaries - Oxy Applications Ltd (Bulgaria), Oxy Solutions Ltd (UK) and Oxy Ltd (Malta).

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

#### Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 2. Significant accounting policies (continued)

#### Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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

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

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

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

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

#### Revenue recognition

Revenues earned by the Group are recognised on the following bases:

- **Royalty income**

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 2. Significant accounting policies (continued)

#### Foreign currency translation

The financial statements are prepared in Euro (€) (the measurement currency), which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Group.

Monetary assets and liabilities denominated in foreign currencies are translated into functional currency at the exchange rate at the reporting date. Foreign exchange gains and losses resulting from the settlement of the transactions and from the translation of monetary assets and liabilities into functional currency at period-end exchange rates are recognised in profit or loss. Translation at period-end rates does not apply to non-monetary items, including equity investments. Effects of exchange rate changes on the fair value of equity securities are recorded as part of the fair value gain or loss.

#### Property, plant and equipment

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

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date

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

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

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

#### Deferred income

Deferred income represents income receipts which relate to future periods.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 2. Significant accounting policies (continued)

#### Intangible assets

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

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

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

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

#### Internally-generated intangible assets - research and development expenditure

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

An internally-generated intangible asset arising from the Group's e-business development is recognised only if all of the following conditions are met:

- an asset is created that can be identified (such as software and new processes);
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

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

#### Patents and trademarks

Patents and trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

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

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 2. Significant accounting policies (continued)

#### Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

#### Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### Financial assets

##### *(1) Classification*

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non-current assets. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

##### *(2) Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

# OXXY GROUP PLC

---

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are included in current liabilities.

##### Trade payables

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

#### Derecognition of financial assets and liabilities

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### Offsetting financial instruments

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

#### Share capital

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

# OXXY GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 3. Financial risk management

#### Financial risk factors

The Group is exposed to credit risk and liquidity risk arising from the financial instruments it holds. The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from last year. The risk management policies employed by the Group to manage these risks are discussed below:

#### 3.1 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2017	2016
	€	€
Receivables	2,085	7,732
Cash at bank	1,525	30,163
	<u>3,610</u>	<u>37,895</u>

#### 3.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group's management monitors the liquidity position to minimise such losses.

The following tables of 2016 and 2017 detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2017	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Bank overdrafts	2,193	2,193	2,193	-	-	-
Trade and other payables	219,669	219,669	219,669	-	-	-
Payables to related parties	30,166	30,166	30,166	-	-	-
Loan from shareholder	506,147	506,147	-	506,147	-	-
	<u>758,175</u>	<u>758,175</u>	<u>252,028</u>	<u>506,147</u>	<u>-</u>	<u>-</u>
31 December 2016	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-5 years	More than 5 years
	€	€	€	€	€	€
Trade and other payables	133,982	133,982	133,982	-	-	-
Payables to related parties	1,424	1,424	1,424	-	-	-
Loan from shareholder	385,857	348,825	-	348,825	-	-
	<u>521,263</u>	<u>484,231</u>	<u>135,406</u>	<u>348,825</u>	<u>-</u>	<u>-</u>

# OXXY GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

#### *Judgments*

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Fair value of intangible assets**

The fair value of intangible assets is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

- **Impairment of intangible asset**

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

### 5. Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 6. Revenue

	2017	2016
	€	€
Royalty income	<u>17,374</u>	3,570
	<u>17,374</u>	<u>3,570</u>

# OXXY GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 7. Operating loss

	2017	2016
	€	€
Operating loss is stated after charging the following items:		
Staff costs	<b>83,084</b>	7,293
Auditors' remuneration	<b>4,000</b>	2,400
Violation charge	<b>-</b>	116,721

Staff costs include the remunerations of Chief Financial Officer of the Group amounting to €33,950 (2016: €2,890) and Directors' fees amounting to €30,740 (2016: €NIL).

During 2016, following the notification from Oslo Stock Exchange ('OSE') regarding the insufficient disclosures made in the admission document in relation to the conversion terms of the Shareholder Advances, a violation charge of NOK1,000,000 was imposed on the Company by OSE.

### 8. Finance income/expense

	2017	2016
	€	€
Exchange profit	<b>14,694</b>	-
<b>Finance income</b>	<b>14,694</b>	-
Net foreign exchange losses	<b>(1,304)</b>	(1,988)
Bank charges	<b>(4,800)</b>	(2,299)
<b>Finance expenses</b>	<b>(6,104)</b>	(4,287)
<b>Net finance income/(expense)</b>	<b>8,590</b>	(4,287)

### 9. Tax

The parent Company's results are subject to corporation tax at 12,5%.

### 10. Loss per share attributable to equity holders of the parent

	2017	2016
<b>Loss attributable to shareholders (€)</b>	<b>(241,803)</b>	(219,915)
Weighted average number of ordinary shares in issue during the year	<b>9,601,038</b>	7,516,630
<b>Loss per share attributable to equity holders of the parent (cent)</b>	<b>(2,52)</b>	(2,93)

## OXXY GROUP PLC

---

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

#### 11. Property, plant and equipment

	<b>Office equipment €</b>
<b>Cost</b>	
Balance at 1 January 2016	9,201
Additions	<u>5,627</u>
<b>Balance at 31 December 2016/ 1 January 2017</b>	<b><u>14,828</u></b>
<b>Balance at 31 December 2017</b>	<b><u>14,828</u></b>
<b>Depreciation</b>	
Balance at 1 January 2016	6,645
Charge for the year	<u>2,558</u>
<b>Balance at 31 December 2016/ 1 January 2017</b>	<b>9,203</b>
Charge for the year	<u>2,557</u>
<b>Balance at 31 December 2017</b>	<b><u>11,760</u></b>
<b>Net book amount</b>	
<b>Balance at 31 December 2017</b>	<b><u>3,068</u></b>
<b>Balance at 31 December 2016</b>	<b><u>5,625</u></b>



# OXXY GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 12. Intangible assets

	Software system €	Research and development €	Patents and trademarks €	Total €
<b>Cost</b>				
Balance at 1 January 2016	-	632,110	900	633,010
Additions	-	267,185	-	267,185
<b>Balance at 31 December 2016/ 1 January 2017</b>	<b>-</b>	<b>899,295</b>	<b>900</b>	<b>900,195</b>
Additions	1,045,930	146,635	-	1,192,565
Revaluation gain	29,918,309	-	-	29,918,309
Transfer of development costs	-	(1,045,930)	-	(1,045,930)
<b>Balance at 31 December 2017</b>	<b>30,964,239</b>	<b>-</b>	<b>900</b>	<b>30,965,139</b>
<b>Net book amount</b>				
<b>Balance at 31 December 2017</b>	<b>30,964,239</b>	<b>-</b>	<b>900</b>	<b>30,965,139</b>
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>899,295</b>	<b>900</b>	<b>900,195</b>

The above research and development costs have been incurred by the company for the development of a software system. Patents and trademarks comprise of trademark "OXXY", registered on 16 May 2014, which will be utilised for Computer Software & Scientific Services. Amortisation has not been accounted for both intangible assets since the assets have indefinite useful life.

#### Valuation technique

On 21 June 2018, the Director of the Company determined the fair value of the software system as at 31 December 2017 using Net Present Value ("NPV") approach. The NPV approach is based on the use of a three-year budget. Further, the NPV calculation assumes that profits are constant from the third year and by applying an assumption rate of 30% the NPV is EUR33,352,517. Also, the Directors considered the market valuation of the Company when listed at Merkur Market on Oslo Stock Exchange. Last trade was at NOK 28.00 valuing the Company equal to EUR30,639,629. On 12 January 2018, the Company was approved for listing at the Third Market on Vienna Stock Exchange at EUR3.00 per share, similar to the last traded price of NOK28.00 at Merkur Market on Oslo Stock Exchange. Given the significance of unobservable inputs used in the valuation, the fair value measurement is classified as Level 3 in the hierarchy of fair values. As a result of the fair value determination as at 31 December 2017, the revaluation gain amounting EUR29,918,309 was recognised in fair value reserve in equity.

If the software system was stated on the historical cost basis, the amounts would be as follows:

	2017 €	2016 €
Cost	1,045,930	899,295
Accumulated depreciation	-	-
<b>Net book amount</b>	<b>1,045,930</b>	<b>899,295</b>

### 13. Receivables

	2017 €	2016 €
Other receivables	2,085	7,732
Unpaid share capital (Note 14)	8,130	8,804
	<b>10,215</b>	<b>16,536</b>

# OXXY GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 13. Receivables (continued)

The fair values of receivables due within one year approximate to their carrying amounts as presented above

The exposure of the Group to credit risk and impairment losses in relation to receivables is reported in note 3 of the consolidated financial statements.

### 14. Share capital

	2017 Number of shares	2017 €	2016 Number of shares	2016 €
<b>Authorised</b>				
Ordinary shares of €0,01 each	<b>35,000,000</b>	<b>350,000</b>	15,000,000	150,000
		€		€
<b>Issued and fully paid</b>				
Balance at 1 January	<b>10,319,913</b>	<b>103,199</b>	2,600,000	1,000
Issue of shares	<b>1,500</b>	<b>15</b>	7,719,913	102,199
	<b>10,321,413</b>	<b>103,214</b>	10,319,913	103,199
<b>Unpaid issued capital</b>	<b>(719,610)</b>	<b>(7,196)</b>	(720,000)	(7,200)
<b>Balance at 31 December</b>	<b>9,601,803</b>	<b>96,018</b>	9,599,913	95,999

#### Authorised capital

On 18 December 2017 the authorised share capital of the Company was increased from €150,000 to €350,000.

#### Issued capital

On 23 March 2017, the Board of Directors approved the issue of 1,500 new shares in a private placement to a private investor at a subscription price of NOK30.00 per share totaling NOK45,000 (€4,920) as the consideration paid for the purchase of Branding Services.

The above mentioned conversions increased the issued share capital of the Company from 10,319,913 ordinary shares to 10,321,413.

On 21 December 2017 the Company entered into an agreement with European High Growth Opportunities Securitization Fund for issue of Convertible Notes with Warrants attached of a total amount up to €12,000,000.

### 15. Advances for future share capital increase

	2017 €	2016 €
Balance at 1 January	-	-
Funds advanced	-	225,000
Shareholder contribution	-	250,000
Issue of shares	-	(475,000)
	-	-

The parent Company's founders have advanced funds and contributions to support the operations of the Group in development of software and related services. During the April 2016 the Company issued shares to existing shareholders for the advances made.

# OXXY GROUP PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2017

### 16. Trade and other payables

	2017	2016
	€	€
Trade payables	5,320	-
Social insurance and other taxes	596	595
Accruals	147,103	48,789
Other creditors	214,349	133,982
Payables to shareholder	-	879
Payables to related companies	30,166	545
	<u>397,534</u>	<u>184,790</u>

Payables to related companies amounting to €4,271 relate to the amount payable to related company through common directorship for the expenses paid on behalf of the Company.

The fair values of other payables due within one year approximate to their carrying amounts as presented above

### 17. Payable to majority shareholder

Loan from a shareholder is up to €550,000 and does not carry interest and does not have specified repayment terms. The loan can be converted to Company's shares at the discretion of a shareholder latest by 31 October 2018. The option was not exercised by shareholder as at 31 December 2017 and as at the date of this report.

### 18. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2017.

### 19. Commitments

The Group had no capital or other commitments as at 31 December 2017.

### 20. Events after the reporting period

The Company was approved for listing at the Vienna Stock Exchange ('VSE') on 12 January 2018. For the Company's shares to be able to trade and settle in Euro at VSE the local CSD in Austria – OeKB – has presented a short list of jurisdictions they allow for clearing. From the approved list provided by OeKB the Board of Directors of the Company has short-listed Luxembourg and Switzerland as the most attractive jurisdictions to relocate the group holding company, either through a share-swap or a merger. For Luxembourg the shares will be held and cleared by Clearstream in Luxembourg. For Switzerland the shares will be held and cleared by SIX SIS.

The Board proposed the establishment of a new public liability company ('NewCo') in either Luxembourg or Switzerland and either:

a) undertakes a share purchase making the Company a wholly owned subsidiary of NewCo where existing shareholders in the Company receive settlement in new shares in NewCo, or

b) undertakes a merger between the Company and NewCo making the new merged company's new jurisdiction either Luxembourg or Switzerland. Following the share-swap or merger, the shares will either be registered in Clearstream Luxembourg or in SIX SIS in Switzerland.

# **OXXY GROUP PLC**

---

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

31 December 2017

### **20. Events after the reporting period (continued)**

On 21 December 2017 the Company entered into an agreement with European High Growth Opportunities Securitization Fund for the issue of up to 1,200 Convertible Notes at a par value of €10,000 each with Warrants attached, in total amount up to €12,000,000. The Convertible Notes will be issued at 48 Tranches. Each Tranche will be of €250,000. The Company has the right to request the disbursement of a Tranche subject to certain conditions referred to in the Agreement. The First Tranche was paid on 15 January 2018 after receiving of approval for listing at the Vienna Stock Exchange ('VSE').

**Independent auditor's report on pages 4 to 7**