VIVA WALLET HOLDINGS DEVELOPMENT OF SOFTWARE SA

ANNUAL CONSOLIDATED FINANCIAL REPORT

for the year from
1st January 2018 to 31st December 2018

in accordance with
International Financial Reporting Standards (I.F.R.S.)

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MAZARS

Independent Auditor's Report

To the Shareholders of **VIVA WALLET S.A.**

Opinion

We have audited the separate and consolidated financial statements of **VIVA WALLET S.A.** (the Group), which comprise the consolidated statement of financial position as at December 31, 2018, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as at December 31, 2018, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and the Group to express audit opinions on the separate and 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Taking into consideration, that management is responsible for the preparation of the Directors' Report, pursuant to paragraph 5 of Article 2 (Part B) of Law. 4336/2015, we note that:

A) In our opinion, the Directors' Report has been prepared in accordance with the legal requirements of Article 43a and 107A of Codified Law 2190/1920 and its content corresponds with the financial statements for the year ended 31/12/2018.

B) Based on the knowledge we obtained during our audit of « VIVA WALLET S.A.» and its environment, we have not identified any material inconsistencies in the Report of the General Council.

Palaio Faliro, 08/03/2019

The Certified Public Accountant

Konstantinos Makris
ELTE Reg. No: 1483

MAZARS

MAZARS Certified Public Accountants and Business Advisors S.A.
14 Amfitheas Avenue, Athens, 175 64, Greece
ELTE Reg. No: 17

Annual Consolidated Report of the Board of Directors

presented to the Annual General Meeting of Shareholders VIVA WALLET HOLDINGS DEVELOPMENT OF SOFTWARE SA on the Consolidated Financial Statements for the year ended 31st December 2018

Annual Consolidated Financial Report of the Board of Directors
For the time period from January 1st to December 31st 2018

Dear shareholders,

The present Annual report of Board of Directors is about the financial year of 2018. This report was written in accordance with the relevant provisions of Codified Law 2190/1920 and the Law 3556/2007 (F.E.K. 91A/30.4.2007).

This report contains financial information of **"VIVA WALLET HOLDINGS DEVELOPMENT OF SOFTWARE SA"** ("The Company") and of **"VIVA GROUP"** ("The Group") for the year 2018 and describes important facts that took place in this year and its effects on the annual financial statements, the prospects of the company for the next year and the major risks and uncertainties that the company and the group may face during the next year.

The current fiscal year is the 18th **"VIVA WALLET HOLDINGS DEVELOPMENT OF SOFTWARE SA"** operates as head of Viva Group, previously named REALIZE SA (until 06-04-2015). The companies participating in the consolidation of the group are the 100% subsidiaries Viva Online Services SA. (Viva Services), Viva Payments Services SA (Viva Payments) and Viva Wallet.com Ltd (Viva UK) and the associate company ELORUS SA with 20% , INDEV with 30% and Uni.Fund, in which Viva Wallet participates with 1,66%, consolidated with the equity method.

I. PERFORMANCE AND FINANCIAL POSITION

During 2018, the Group achieved significant growth by maintaining and expanding upon its large client base earned in 2017. The Group has solidified its standing as a significant player in the Greek payments market and has established its expansion in Europe.

The subsidiary company Viva Payments S.A. successfully migrated from being a Payment Facilitator to becoming a full-service licensed Card Acquiring payments provider by MasterCard and VISA, strengthening its brand and gaining a significant number of new merchants. This change has been accompanied by the porting of the entire acquiring business to Viva Payments' own infrastructure with direct connectivity to the Card Schemes, which has been reflected to lower acquiring costs. In parallel, the Viva Payments became also a licensed Card Issuer from MasterCard and Visa, entering the "Business Cards" segment. This activation of its Acquiring and Issuing license, has permitted Viva Payments to design, develop and offer new innovative financial products that combine key features from both. For instance, in 2018 Viva Payments has been the only European Payment Provider to offer a 0% Acquiring Pricing package, when acquiring is combined with the use of a business debit card. Viva Payments is also offering a comprehensive "bank-in-a-box" bundle service that comprises a Payment Account with local IBAN, a card terminal for card acceptance and a business card. Additionally, the activation of the Acquiring License has permitted Viva Payments to restructure its pricing to the benefit of its clientele, and provide transparency through the adoption of an "Interchange++" pricing mechanism.

Furthermore, Viva Payments successfully completed the first phase of establishment in the major European markets of the UK, Belgium, Romania, and Cyprus and has already started to show significant growth evidence on a period-to-period basis. Viva Payments has established local presence with offices and personnel in each country, and has obtained local country IBAN codes (Sort codes for UK) referencing its Payment Accounts. This has permitted Viva Payments, to solidify the localization of its products, which now comprises local language, local IBANs, connectivity to local payment schemes and support for local closed-loop cards. The Company is already planning its new phase of expansion to penetrate new significant European markets. In addition, Viva Wallet Holdings has established a 100% subsidiary Company located in UK (VivaWallet.com Ltd) with primary purpose to apply for a UK Banking Charter, so as to achieve significant synergies between entities in the UK Market.

2018 was the first year of operation under the new organizational structure entailing outsourcing of 1st level Client Interaction & Support, outside its main core operations. This new structure offers high scalability, cost efficiency, multi-lingual capacity and deployment in several countries. Furthermore, Viva Payments built robust risk-frameworks and intelligent data-driven risk-monitoring mechanisms that facilitate KYC processes and payments security, across European jurisdictions.

In this course, Viva Payments continued to invest in innovative technologies to enhance all aspects of the payments services that it offers. Both operational and financial figures stated below reflect the growth driven by these investments and in meeting the Company's operational and strategic goals.

As far as the subsidiary company Viva Services is concerned, it continued to facilitate POS card terminals deployment for the Group , while within ticketing sector, the Company continued its rapid expansion as the leading ticketing services provider across all domestic Entertainment, Sports, and Cultural events.

The above resulted to the following:

- The operating result for the Group resulted in € 2.210 thousand (profit) for 2018, in comparison with € 133 thousand (profit) in 2017, and for the company in € (899) thousand (loss) for 2018 and € (398) thousand (loss) in 2017.
- The total revenue for the group amounted € 25.017 thousand for the group and € 834 thousand for the company for the current year, in comparison with € 20.490 thousand and € 699 thousand respectively for the prior year.
- The earnings before interest, taxes, depreciation and amortization (EBITDA) increased significantly from 2017 and resulted in € 3.715 thousand (profit) for the group, in comparison with € 1.322 thousand (profit) for 2017, and € (563) thousand (loss) and € 63 thousand (loss) for the company in 2018 and 2017 respectively. EBITDA for year 2018 includes effect from IFRS 2 (share based payments) of € 299 thousand, hence EBITDA before IFRS 2 effect resulted to € 4.014 thousand profit for the group and € (263) thousand (loss) for the company.
- The profit before tax presented for the current year amounted to 7,9% over the group's total revenue, i.e. € 1.999 thousand for 2018 and € 182 thousand for 2017, while the company presents losses before tax of € (1.044) thousand for 2018 and profits € 587 thousand for 2017.
- The total assets of the group were formed at € 64.302 thousand for 2018 and € 42.487 thousand for 2017, while the company had total assets as at the end of 2018 of € 17.132 thousand, and for 2017 of € 9.062 thousand.
- The non-current assets of the group stood at € 11.588 thousand for 2018 and € 7.982 thousand for 2017, and for the company at € 13.523 and € 7.887 thousand respectively.
- The equity of the group amounted to € 13.496 and € 7.381 thousand for 2018 and 2017, and the respective amounts for the company were € 11.869 and € 7.540 thousand.
- The non-current liabilities of the group were formed at € 5.917 and € 1.698 thousand for 2018 and 2017 respectively.

As far as Viva Payments is concerned volume of transactions reached € 1.232 mil. by the end of December 2018, out of which € 87 mil. (7%) were from international operations. Volume grew by 52.1% from € 810 mil. to € 1.232 mil. in 2017 depicting the organic growth of the Group. The number of transactions, respectively increased by +90% reaching 29.2 mil in 2018, compared to 15.3 mil at 2017. Transactions held internationally amounted to 1.6 mil by December 2018 (5.6% of the total).

For a more comprehensive presentation of the Company's operations during the year ended 31/12/2018, we present the following financial ratios:

Financial Ratio Table

	GROUP		COMPANY	
A) Financial leverage and asset structure ratios	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
1. Debt to equity ratio:				
Long-term Liabilities / Equity	43,85%	23,00%	41,92%	2,15%
2. Loan ratio				
Borrowings / Equity	41,21%	53,78%	40,54%	1,87%
B) Capitalization ratio				
1. Current asset to total asset:				
Current assets / Total assets	81,98%	81,21%	21,06%	12,98%
2. Fixed asset to total assets:				
Non-current assets / Total assets	18,02%	18,79%	78,94%	87,02%
C) Liquidity ratio				
1. Capital liquidity ratios:				
Current assets / Short term Liabilities	117,43%	103,28%	1249,66%	86,41%
2. Cash ratio				
Cash and cash equivalents / Current assets	80,07%	62,98%	77,76%	9,70%
D) Profitability ratio				
1.Operating results on sales				
Operating Results / Revenues	12,08%	0,88%	(68,69%)	(35,12%)
2. Return on Equity (ROE):				
Profit/(Loss) after tax / Equity	14,81%	2,47%	(8,79%)	7,79%

II. SIGNIFICANT EVENTS DURING THE YEAR 2018

In 2018, the Group has implemented numerous operational and strategic objectives such as:

Viva Wallet Holdings:
- Viva Holdings has achieved a significant fund raising of € 10mil (€ 5mil in equity and € 5mil via convertible bond) in April 2018 from Diorama Investment Sicar.
- Establishment of a 100% subsidiary in the UK which will follow the process to apply for a UK Banking Charter,
- Introduce Stock Option Plan ending in year 2022, including both existing and new executives.

Viva Payments:
- Viva Payment's reauthorization by the Central Bank of Greece as an Electronic Money Institution due to the provisions of the new, revised Payment Service Directive 2 which was transposed into the Greek legislation with the Law 4537/2018.
- Activation of its Principal Membership license in Issuing – Viva Debit Card
- Achieved vertical integration and end-to-end connectivity to Card Schemes, without any intermediaries, by utilizing its own MS-Azure cloud-based infrastructure for acquiring and issuing. This has led to a significant reduction in direct acquiring costs.
- Enable the provision of white label card issuing and card-processing services to other Financial Institutions.
- International presence in UK, Belgium, Romania and Cyprus
- Entered acquiring for Big Retailers in Greece. Beginning of phase out of stores
- Direct integration with payment systems for automating money transfers in Greece, Belgium, Cyprus and the UK
- Strategic partnership with prominent International software Company for software development outsourcing
- Launched new version of Merchant online self-care with activity feed and new customer on-boarding process

Viva Services:
During the financial year 2018, the Company, achieved significant brand awareness driven by a large advertising campaign carried out in 2017. This boosted the Company's commercial activity, facilitating the deployment of multiple POS terminals (Card Transaction Terminals) on behalf of the Group and gaining market expertise. In parallel, the Company continued to successfully provide ticketing services on its existing platforms.

III. NEXT YEAR PROSPECTS

The Group will continue the implementation of its development plan as follows:

- Viva Wallet is preparing for the next round (Round C) of fund raising to further boost its expansion in major European markets.
- Viva Payments establishment of branches in new countries: Romania, Portugal, France, Poland, Italy, Germany, Netherlands, Spain and others (in progress).
- Development of scalable mechanism of field sales, to address the MicroSME and SME merchant base in each country
- Acquiring license from American Express, China Union Pay, Bancontact and JCB to enhance the portfolio of schemes
- Start integrating Microsoft Dynamics 365 cloud platform for Sales, Customer Care, Marketing and Finance.

IV. MAJOR EVENTS AFTER 31 OF DECEMBER 2018 AND UNTIL THE PREPARATION DATE OF THIS REPORT

There were no significant events after December 31st 2018, which affect the Financial Statements.

V. MAJOR RISKS AND UNCERTAINITIES

The Group’s activity results in its exposure to a range of financial risks that the Group's management, through its strategy and procedures at place, attempts to minimize. Also, competitors' actions shall likely have a negative impact on the Group's results, especially if it fails to offset the reduced prices with reduced costs resulting from improved productivity. In addition, the uncertainty of the economic environment, and government decisions on corporate taxation and labor relations may affect the Group's financial results.

Credit Risk
Credit risk refers to the probability that a counterparty shall cause financial loss to the Group due to a breach of its contractual obligations. The Group maintains adequate customer dispersion and is thus not dependent on individual customers, largely mitigating credit risks. Introducing prepaid services into the business would further decrease the Group’s credit risk exposure.

Liquidity risk
Liquidity risk refers to the situation when the Group is unable to meet its financial obligations. To manage the liquidity risk, the Group budgets and regularly monitors its cash flows. The Group maintains high creditworthiness with respect to cooperating banks and further maintains high levels of liquidity from its daily transactions. Consequently, the Group does not have any difficulty in fulfilling its financial obligations.

Borrowing – Interest rates
In the financial sector, the Group cooperates with Greek banks. In light of the Group’s existing reciprocal partnerships with credit institutions, the currently approved credit limits, the current interest rates and other contractual terms, no foreseen short-term risks which may adversely affect the normal operations of the Company exist. The Group’s bank borrowings as of 31/12/2018 amounted to € 750.000, of which€ 250.000 were short-term and 500.000 were long-term loans. The Company’s borrowed funds are denominated in Euro and therefore are not subject to significant interest rate risk. Bank borrowed funds maintain fixed rate structures and therefore do not expose the Company to risk from fluctuations of interest rates and of future cash flows.
Additionally, Viva Holdings has issued a convertible bond loan of a fair value of € 4.811.866 with due date at April 2020 with a fixed agreed bond interest.

Foreign Exchange Risk

Group’s financial situation and cash flows from operating activities are subject to fluctuations in exchange rates as there are transactions denominated in other currencies other than EUR (GBP, RON, etc.).
Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities. Monetary assets and liabilities held in foreign currencies are closely monitored to ensure that they are not materially affected by adverse foreign currency fluctuations.

VI. PERSONNEL AND ENVIRONMENTAL ISSUES

The Group’s management is based on a team of experienced and competent executives, who have thorough knowledge of the Group’s objective and the market conditions, contributing to the smooth operation and further development of the Group.

The relationships between the executives and staff are excellent and no labor issues have been noted.

The Group recognizes the need for continuous improvement of environmental performance and operates in such a way as to ensure the protection of the environment and the health and safety of its employees through a modern and safe working environment.

VII. TRANSACTIONS WITH RELATED PARTIES

All transactions from and with related parties are carried out under prevailing market terms. All significant related party transactions, as defined by IAS 24, are fully disclosed in note 7 in the Annual Financial Statements for the financial year ended on December 31, 2018.

Balances with Related parties as at 31st December 2018

The balances of receivables and / or liabilities between the parent of the Group and its related parties as at 31 December 2018 are as follows:

Amounts are expressed in € '	GROUP		COMPANY	
Receivables	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
VIVA PAYMENTS S.A (Group Subsidiary)	-	-	2.368.853	366.744
VIVA SERVICES S.A (Group Subsidiary)	-	-	409.457	11.719
VIVA WALLET LTD (Group Subsidiary)	-	-	100.000	-
ELORUS (Associate)	50.642	385	50.642	385
INDEV (Associate)	829	1	829	1
K. TSAOUSIS & ASSOCIATES	61.239	66.239	-	-
Total	**112.710**	**66.626**	**2.929.781**	**378.850**

Amounts are expressed in € '	GROUP		COMPANY	
Liabilities	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
VIVA PAYMENTS S.A (Group Subsidiary)	-	-	122.248	519.182
VIVA SERVICES S.A (Group Subsidiary)	-	-	-	47.759
INDEV (Associate)	28.258	-	28.258	-
Total	**28.258**	**-**	**150.506**	**566.941**

Amounts are expressed in € '	GROUP		COMPANY	
Sales	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
VIVA PAYMENTS S.A (Group Subsidiary)	-	-	354.000	354.000
VIVA SERVICES S.A (Group Subsidiary)	-	-	319.200	19.200
VIVA WALLET LTD (Group Subsidiary)	-	-	100.000	-
ELORUS (Associate)	620	992	620	992
INDEV (Associate)	9.600	4.000	9.600	4.000
Total	**10.220**	**4.992**	**783.420**	**378.192**

Amounts are expressed in € '	GROUP		COMPANY	
Purchases - Cost of Sales	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
INDEV (Associate)	321.216	-	321.216	-
Total	**321.216**	**-**	**321.216**	**-**

Amounts are expressed in € ' Transactions and remuneration of members of the Management and directors	GROUP		COMPANY	
	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Salaries and other compensation to key management personnel	1.681.048	1.030.637	39.088	14.722
Total	**1.681.048**	**1.030.637**	**39.088**	**14.722**

Amounts are expressed in € ' Receivables from members of the Management and directors	GROUP		COMPANY	
	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Other receivables	20.093	135.971	-	275
Total	**20.093**	**135.971**	**-**	**275**

Amounts are expressed in € ' Liabilities to members of the Management and directors	GROUP		COMPANY	
	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Salaries and other compensation payable	149.111	3.674	5.304	1.966
Total	**149.111**	**3.674**	**5.304**	**1.966**

In the consolidation of their financial statements the above balances (intragroup) are eliminated.
There are no other transactions and loans between related parties in the presented uses other than those mentioned above.

VII. OTHER INFORMATION

Share capital structure - Treasury shares

The share capital of the Viva Holdings consists of 1.000.645 ordinary shares of nominal value € 1,00 each. All issued shares have been paid entirely, provide the same rights to receive dividends and to repay capital and represent one vote per share at the General Shareholders' Meeting of the Company.
There are no Company shares with special control rights. In addition, the Company's Articles of Incorporation do not provide any restrictions on voting rights.

Viva Holdings does not own treasury shares.

Research and development activities

There are no Research and Development activities.

Litigation cases

There are no litigation or court decisions that may have a significant effect on the financial position or operation of the Group Companies.

Branches

Viva Payment’s establishment of branches in Belgium and Cyprus.

Significant transactions with related parties

The balances of receivables and / or liabilities between the Company and its related parties as at 31 December 2018, as well as, the Company's transactions with related parties for the year ended December 31, 2018 are performed during the Company's normal operation.

Financial instruments

The financial instruments, which folds the Group, mainly consisted of deposits in banks, bank's accounts, accounts receivables and payables and long term borrowings.

VIII. DIVIDEND POLICY

The Company will not to distribute any dividend for 2018 due to lack of distributable earnings.

Dear Shareholders,

Following the above, detailed and substantiated report on the Company's proceedings, and after we thank you for your trust in the Group and the Company, the Board of Directors and I personally approve the statutory Consolidated Financial Statements that are comprised of the Statement of Financial Position as of 31 December 2018, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes of the Annual Consolidated Financial Statements.

Exact excerpt from the Board of Directors' book

Marousi Attikis , 08/03/2019

The President.&
Chief Executive Officer

Haralampos Karonis

The above Annual Consolidated Financial Report from the Board of Directors to the General Assembly, consisting of 8 pages, is the one mentioned in the audit report issued on 08/032019

Palaio Faliro, 08/03/2019
The Certified Auditor

MAZARS Certified Public Accountants
Business Advisors SA
14, Amfitheas Ave. -175 64 Palaio Faliro
ELTE Reg No: 17

Konstantinos Makris
ELTE Reg No.: 1483

VIVA WALLET HOLDINGS DEVELOPMENT OF SOFTWARE SA

ANNUAL CONSOLIDATED FINANCIAL REPORT

for the for the year from 1st January 2018 to 31st December 2018 in accordance with International Financial Reporting Standards (I.F.R.S.)

These Consolidated Financial Statements were approved by the Board of Directors of VIVA WALLET HOLDINGS DEVELOPMENT OF SOFTWARE SA on 08/03/2019

Registered Offices	**18-20 Amarousiou Ave., 15125 Marousi Greece**
Reg. Num	**59189/1AT/B/05/0351**
G.E.MI. Reg. No	**006514501000**

Marousi, 08/03/2019

The President & Chief Executive Officer	The Vice President	The Accountant
Haralampos Karonis	Gerasimos Antypas	Dimitrios Kontoulis ID AB 597533
ID AM 207833	ID X 188444	A.M.A 100209 A CLASS

Consolidated Statement of Financial Position
as at 31st of December 2018

		GROUP		COMPANY	
Amounts are expressed in € '	**Note**	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Assets					
Non current assets					
Intangible assets	5.2	5.349.014	4.155.322	590.346	795.585
Property Plant & Equipment	5.1	3.485.612	2.008.682	651.903	708.566
Investment in Subsidiaries	5.3	-	-	11.413.131	5.500.040
Investment in Associates	5.3	380.164	534.290	380.164	534.290
Deferred tax asset	5.4	983.634	683.641	398.370	259.273
Other non-current assets	5.5	1.389.644	600.216	89.764	88.764
Total non- current assets		**11.588.069**	**7.982.151**	**13.523.679**	**7.886.518**
Current assets					
Inventories	5.7	1.496.073	1.637.202	-	-
Trade and other receivables	5.6	1.479.928	1.948.636	583.465	130.311
Prepayments	5.8	2.740.361	1.443.938	98.576	20.351
Receivables from taxes	5.9	536.534	701.766	75.089	109.407
Other current receivables	5.10	4.251.082	7.040.904	45.612	801.752
Cash and cash equivalents	5.11	42.210.573	21.732.591	2.805.952	114.114
Total current assets		**52.714.551**	**34.505.038**	**3.608.695**	**1.175.934**
Total assets		**64.302.619**	**42.487.189**	**17.132.374**	**9.062.452**
Equity and Liabilities					
Equity					
Share capital	5.12	1.000.645	940.000	1.000.645	940.000
Share premium	5.13	10.751.894	5.812.539	10.751.894	5.812.539
Reserves	5.14	961.868	351.698	859.885	316.586
Reserves from actuarial differences	-	62.239	71.498	27.664	24.099
Retained earnings	5.15	719.066	205.735	(771.296)	446.318
Total Equity		**13.495.711**	**7.381.469**	**11.868.791**	**7.539.541**
Long term Liabilities and Provisions					
Long term loans	5.16	5.311.866	1.368.062	4.811.866	-
Provision for personnel compensation	5.17	256.298	153.469	32.398	31.491
Other provisions	5.18	349.589	176.335	8.297	8.297
Other long term liabilities	5.19	-	-	122.248	122.248
Total long term Liabilities		**5.917.754**	**1.697.866**	**4.974.809**	**162.036**
Short term Liabilities					
Suppliers and other trade liabilities	5.20	2.516.823	2.396.720	91.991	276.047
Short term loans	5.16	250.000	2.601.719	-	140.707
Liabilities from taxes	5.21	1.465.119	731.919	26.272	73.975
Other short term liabilities	5.22	40.657.212	27.677.496	170.511	870.146
Total short term Liabilities		**44.889.155**	**33.407.854**	**288.774**	**1.360.875**
Total Liabilities		**50.806.909**	**35.105.721**	**5.263.583**	**1.522.911**
Total Equity and Liabilities		**64.302.619**	**42.487.189**	**17.132.374**	**9.062.452**

Consolidated Statement of Comprehensive Income for the year ended 31st of December 2018

Amounts are expressed in € '	Note	GROUP 1/1 - 31/12/2018	GROUP 1/1 - 31/12/2017	COMPANY 1/1 - 31/12/2018	COMPANY 1/1 - 31/12/2017
Revenues	5.23	25.017.326	20.489.872	834.115	699.166
Other operating income	5.24	87.989	66.996	473.934	434.204
Interchange fees and other direct transactional costs	5.25	(6.805.063)	(5.382.852)	-	-
Net Revenue		**18.300.252**	**15.174.016**	**1.308.049**	**1.133.370**
Other cost of sales	5.26	(652.501)	(654.420)	-	-
Gross Profit		**17.647.751**	**14.519.595**	**1.308.049**	**1.133.370**
Changes in inventories	5.26	(1.156.313)	(1.960.609)	-	-
Payroll and related expenses	5.26	(6.192.892)	(5.021.499)	(695.178)	(354.035)
General, selling and administrative expenses	5.26	(6.583.440)	(6.215.204)	(1.175.789)	(842.015)
Depreciation / Amortization	5.26	(1.505.029)	(1.189.283)	(335.603)	(335.323)
Total expenses		**(15.437.674)**	**(14.386.596)**	**(2.206.570)**	**(1.531.373)**
Operating results		**2.210.076**	**133.000**	**(898.522)**	**(398.003)**
Earnings before tax, interest depreciation and amortization (EBITDA)		**3.715.105**	**1.322.283**	**(562.919)**	**(62.680)**
Finance income	5.27	207.286	203.793	417	1.000.027
Finance costs	5.27	(418.217)	(154.325)	(145.462)	(14.703)
Profit/(Loss) before tax		**1.999.145**	**182.468**	**(1.043.567)**	**587.321**
Tax	5.28	(885.066)	(161.541)	136.902	96.845
Profit/(Loss) after tax		**1.114.079**	**20.927**	**(906.665)**	**684.166**
Items that may be reclassified subsequently to profit or loss:					
Actuarial gains / losses	5.17	(12.345)	66.833	4.754	3.406
Deferred tax on actuarial (gains) / losses	5.4	3.086	(19.382)	(1.189)	(988)
Other comprehensive income for the period after taxes		**(9.259)**	**47.451**	**3.566**	**2.418**
Total comprehensive income / (loss) after taxes		**1.104.820**	**68.378**	**(903.099)**	**686.584**
Net profits/ (losses) are distributed as follows:					
Equity holders of the parent		1.114.079	20.927	(906.665)	684.166
Non-controlling interests		-	-	-	-
Total comprehensive income is distributed as follows:					
Equity holders of the parent		1.104.820	68.378	(903.099)	686.584
Earnings / (losses) per share					
Basic (€ / share)	5.29	1,11	0,02	(0,96)	0,73

Consolidated Cash Flow Statement
for the year ended 31st of December 2018

	GROUP		COMPANY	
Amounts are expressed in € '	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Profit /(Loss) before income tax	1.999.145	182.468	(1.043.567)	587.321
Adjustment for reconciliation of net cash flows from operating activities:				
Amortization/ Depreciation of intangible and tangible assets	1.505.029	1.189.283	335.603	335.323
Impairment of Subsidiaries	11.763	-	11.763	-
Provisions	301.826	52.003	907	4.893
Grant Revenue	(59.800)	-	(59.800)	-
(Interest and similar income)	(207.286)	(203.793)	(417)	(1.000.027)
Interest and other financial expenses	418.217	154.325	145.462	14.703
Operating profit before changes in working capital	**3.968.894**	**1.374.286**	**(610.049)**	**(57.787)**
(Increase)/Decrease in :				
Inventories	141.129	(339.150)	-	-
Trade receivables	473.462	(671.481)	(453.155)	(43.915)
Advances and other receivables	1.612.632	(4.511.132)	712.233	(550.418)
Other long-term receivables	(789.428)	(511.997)	(1.000)	(1.100)
(Increase)/Decrease in :				
Suppliers	120.103	(1.119.024)	(184.055)	(276.562)
Accrual and other short-term liabilities	12.674.364	2.172.013	(682.784)	602.443
Other long-term liabilities	-	150.000	-	-
Cash inflows/outflows from operating activities	**18.201.156**	**(3.456.485)**	**(1.218.811)**	**(327.340)**
Interest and related expenses paid	(418.215)	(154.325)	(145.462)	(14.703)
Tax payments	543.299	(431.997)	543.299	-
Net cash inflows/outflows from operating activities	**18.326.239**	**(4.042.807)**	**(820.974)**	**(342.043)**
Cash flow from investing activities:				
(Purchases of tangible and intangible assets)	(4.175.651)	(2.550.545)	(73.702)	(162.622)
(Purchases/Increases in participations)	142.363	(336.789)	(5.770.728)	(336.789)
Interest proceeds and similar income	207.285	203.793	417	1.000.027
Cash inflows/outflows from investing activities	**(3.826.003)**	**(2.683.541)**	**(5.844.014)**	**500.617**
Cash flows from financial activities:				
Proceeds from capital increases	5.000.000	-	5.000.000	-
Net change in short-term loans	(2.351.719)	1.576.719	(140.707)	(55.293)
Proceeds/(repayments) long-term loans	3.943.804	1.368.062	4.811.866	-
Value impairments / (recovering impairments) of trade receivables	(313.539)	-	(13.533)	-
Cash inflows/outflows from financial activities	**6.278.546**	**2.944.781**	**9.657.626**	**(55.293)**
Net Increase/(Decrease) in cash	**20.778.782**	**(3.781.566)**	**2.992.638**	**103.281**
Cash at beginning of the period	**21.732.591**	**25.514.158**	**114.114**	**10.833**
Cash at the end of the period	**42.511.374**	**21.732.591**	**3.106.752**	**114.114**

Consolidated Statement of Changes in Equity for the year ended 31st of December 2018

Amounts are expressed in € '	Share capital	Share premium	Reserves	Reserves from actuarial differences	Retained earnings	Total Equity
Balance as at 31/12/2016	**940.000**	**5.812.539**	**351.698**	**24.046**	**184.808**	**7.313.090**
Profit/ (Loss) for the period 1/1-31/12/2017	-	-	-	-	20.927	**20.927**
Other comprehensive income for the period 1/1-31/12/2017	-	-	-	66.833	-	**66.833**
Total comprehensive income 1/1-31/12/2017	**-**	**-**	**-**	**66.833**	**20.927**	**87.760**
Tax recognized in Equity	-	-	-	(19.382)	-	**(19.382)**
Total	**-**	**-**	**-**	**(19.382)**	**-**	**(19.382)**
Total changes in Equity	**-**	**-**	**-**	**47.451**	**20.927**	**68.378**
Balance as at 31/12/2017	**940.000**	**5.812.539**	**351.698**	**71.498**	**205.735**	**7.381.469**

Amounts are expressed in € '	Share capital	Share premium	Reserves	Reserves from actuarial differences	Retained earnings	Total Equity
Balance as at 31/12/2017	**940.000**	**5.812.539**	**351.698**	**71.498**	**205.735**	**7.381.469**
Restated balance as at 31/12/2017	**940.000**	**5.812.539**	**351.698**	**71.498**	**205.735**	**7.381.469**
Profit/ (Loss) for the period 1/1-31/12/2018	-	-	-	-	1.114.079	**1.114.079**
Other comprehensive income for the period 1/1-30/6/2018	-	-	-	(12.345)	-	**(12.345)**
Total comprehensive income 1/1-31/12/2018	**-**	**-**	**-**	**(12.345)**	**1.114.079**	**1.101.734**
Other changes in equity for the period 1/1-31/12/2018						
New Reserves	-	-	350.329	-	(51.551)	**298.778**
Bond Loan Issue	-	-	244.521	-	-	**244.521**
Share capital increase	60.645	4.939.355	-	-	-	**5.000.000**
Dividends	-	-	-	-	(300.800)	**(300.800)**
Other adjustments	-	-	15.320	-	(248.396)	**(233.076)**
Tax recognized in Equity	-	-	-	3.086	-	**3.086**
Total	**60.645**	**4.939.355**	**610.170**	**3.086**	**(600.748)**	**5.012.508**
Total changes in Equity	**60.645**	**4.939.355**	**610.170**	**(9.259)**	**513.331**	**6.114.242**
Balance as at 31/12/2018	**1.000.645**	**10.751.894**	**961.868**	**62.239**	**719.066**	**13.495.711**

Company Statement of Changes in Equity
for the year ended 31st of December 2018

COMPANY						
Amounts are expressed in € '	Share capital	Share premium	Reserves	Reserves from actuarial differences	Retained earnings	Total Equity
Balance as at 31/12/2016	**940.000**	**5.812.539**	**316.586**	**21.680**	**(237.847)**	**6.852.957**
Restated balance as at 31/12/2016	**940.000**	**5.812.539**	**316.586**	**21.680**	**(237.847)**	**6.852.957**
Profit/ (Loss) for the period 1/1-31/12/2017	-	-	-	-	684.166	**684.166**
Other comprehensive income for the period 1/1-31/12/2017	-	-	-	3.406	-	**3.406**
Total comprehensive income 1/1-31/12/2017	**-**	**-**	**-**	**3.406**	**684.166**	**687.572**
Other changes in equity for the period 1/1-31/12/2017						
Tax recognized in Equity	-	-	-	(988)	-	**(988)**
Total	**-**	**-**	**-**	**(988)**	**-**	**(988)**
Total changes in Equity	**-**	**-**	**-**	**2.418**	**684.166**	**686.584**
Balance as at 31/12/2017	**940.000**	**5.812.539**	**316.586**	**24.099**	**446.318**	**7.539.541**

Amounts are expressed in € '	Share capital	Share premium	Reserves	Reserves from actuarial differences	Retained earnings	Total Equity
Balance as at 31/12/2017	**940.000**	**5.812.539**	**316.586**	**24.099**	**446.318**	**7.539.541**
Restated balance as at 31/12/2017	**940.000**	**5.812.539**	**316.586**	**24.099**	**446.318**	**7.539.541**
Profit/ (Loss) for the period 1/1-31/12/2018	-	-	-	-	(906.665)	**(906.665)**
Other comprehensive income for the period 1/1-30/6/2018	-	-	-	4.754	-	**4.754**
Total comprehensive income 1/1-31/12/2018	**-**	**-**	**-**	**4.754**	**(906.665)**	**(901.911)**
New Reserves	-	-	298.778	-	-	**298.778**
Bond Loan Issue	-	-	244.521	-	-	**244.521**
Share capital increase	60.645	4.939.355	-	-	-	**5.000.000**
Dividends	-	-	-	-	(300.800)	**(300.800)**
Other adjustments	-	-	-	-	(10.150)	**(10.150)**
Tax recognized in Equity	-	-	-	(1.189)	-	**(1.189)**
Total	**60.645**	**4.939.355**	**543.299**	**(1.189)**	**(310.950)**	**5.231.160**
Total changes in Equity	**60.645**	**4.939.355**	**543.299**	**3.566**	**(1.217.615)**	**4.329.249**
Balance as at 31/12/2018	**1.000.645**	**10.751.894**	**859.885**	**27.664**	**(771.296)**	**11.868.791**

The attached notes which presented on pages 20 to 68 are an integral part of these Consolidated Financial Statements.

1. General Information

1.1 The Company

The Company **"VIVA WALLET HOLDINGS DEVELOPMENT OF SOFTWARE SA"**, with the distinctive title **"VIVA WALLET"** (the Company), is registered in Greece as a Societe Anonyme Company according to the provisions of Company Law 2190/1920, with headquarters in Marousi, 18-20 Amaroussiou - Chalandriou street, 15125.

1.2 Activities

VIVA WALLET was established in 2000 with a leading position in the field of Information Technology, specializing in the design and development of system solutions for the integration and service of business processes in the areas of:

- Banking applications (web-banking applications, real estate appraisers, POS credit card management applications, online banking system, e-learning systems etc.)
- Interactive web applications (Web-Based Applications)
- Electronic Transactions - transaction based online applications and billing/payment systems
- The interconnection of information systems (ERPs, Web-Based applications, Billing systems, CRM, ERPs, Call Center systems)
- Online & Technology Marketing services.

1.3 The Group

The Consolidated Financial Statements cover the Company (Parent), its subsidiaries and its associates (the Group). Subsidiaries are enterprises that are controlled by the Parent. Subsidiaries were fully consolidated from the date that their control was acquired.

Structure of the Group

Company	Headquarters	Activity	Participation
VIVA SERVICES S.A.	Marousi Attikis	Electronic communications services and networks	100%
VIVA PAYMENTS S.A	Marousi Attikis	Payment Services	100%
VIVA WALLET.COM LTD	London, United Kingdom	Payment Services	100%
ELORUS	Marousi Attikis	Pricing Services	20%
INDEV	Marousi Attikis	Software development company	30%
LYVARIAN	Nicosia, Cyprus	Holdings company	0%
UNIFUND	Greece	Venture Capital Mutual Fund	1,66%

VIVA SERVICES S.A. (www.viva.gr)

VIVA SERVICES SA was established in 2005 and provides both businesses and consumers with a variety of services including :

- eTicket issuing (theater, concerts, cinema, sporting events etc.)
- Travel and Transportation Services (reservation and sale of ferry and air tickets, radio taxi services).
- VoIP telephony services and a set of IN Services (Intelligent Network Services)

- VivaWallet POS Card terminals
- Virtual Telephony Centers based on SaaS model (Software as a Service)
- Applications that integrate the Internet and Telephony and are available with SaaS (Software as a Service)
- Mobile or fixed phone service applications.

The company is licensed by EETT (The Greek Telecom Regulation Authority) for the provision of Telecommunication Services.
Regarding travel and transportation services, that the company primarily provides as an on-line travel agency (www.viva.gr), VIVA records significant growth rates, especially in the areas of air and ferry ticket sales as well as sales of tickets for events, concerts etc. The company has a Travel Agent license from E.O.T (The Greek National Tourism Organization) and is a member of IATA.

VIVA PAYMENTS S.A (www.vivawallet.com)

VIVA PAYMENTS SA (Viva Payments) was established in November 2010 and was initially licensed by the Bank of Greece as a Payment Institution under the Law 3862/2010. Since October 2014, it constitutes the first Electronic Money Institution to be licensed by the Bank of Greece under the Law 3862/2010 and the Law 4021/2011.

The notion of Payment Service Providers was introduced by Law 3862/2010, in order to supervise through Bank of Greece rules payments, receipts and settlements made by companies for third parties. These transactions now require the intermediary company to hold a Payment Service Provider License, such as the one held by Viva Payments.

VIVA WALLET.COM LTD

Viva Wallet. Com Ltd is located in London UK as a 100% subsidiary of Greek Company Viva Wallet Holdings S.A. whose primary investment (Viva Payments) operates as an E-Money institution offering a wide range of Payment products like POS terminals, acquiring & issuing services , consumer cards and online payment methods. Viva Wallet Holdings S.A. continuing its growth plans in expanding its operations in Europe has established Viva Wallet. Com Ltd in London, which in turn aims to take all appropriate actions to obtain the local Banking Charter and to operate officially in United Kingdom. To this course the Company has leased modern premises and hired high skilled staff in preparing all license prerequisites and building up the desired clientele base. License process and assessment of local authorities is planned to be finalized within 2019.

ELORUS (www.elorus.com)

Elorus is a new technology company, active in the fintech industry. It develops modern methods of financial control for freelancers and businesses. Through an online e-invoicing application, professionals can, among other things, issue electronic invoices, accept electronic payments, record their expenses and monitor their business fluidity.

INDEV (www.indev.gr)

INDEV SA is a software development company. Its clients include some of the largest financial institutions and multinational companies. The INDEV’s team consists of developers, and analysts, and develops software using cutting-edge technologies (Django, ES2015 +, React, Ansible, Postgres, .NET Core).

In 2018, Viva Wallet Holdings increased its shareholding in INDEV from 25% to 30%.

UNI.FUND

Uni.fund is Venture Capital Mutual Fund (A.K.E.S.) with primary purpose to invest in innovative companies or branches preferably active in the RnD space and broader technology sectors, including small / medium enterprises in pre-seed, proof of concept and seed stages as defined by Invest Europe. Viva Holdings participates in the fund by 1,66% in 2018.

2. Framework for the preparation of the Consolidated Financial Statements

2.1 Compliance with the IFRS

The Financial Statements of **VIVA WALLET HOLDINGS DEVELOPMENT OF SOFTWARE SA** have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) issued by the International Accounting Standards Board (IASB), as endorsed by the European Union (EU).

2.2 Basis of preparation of the Financial Statements

The Financial Statements of **VIVA WALLET HOLDINGS DEVELOPMENT OF SOFTWARE SA** have been prepared on the basis of the going concern principle and historical cost convention.

2.3 Approval of the Financial Statements

The present Annual Consolidated Financial Statements have been approved by the Company's Board of Directors on **08 March 2019** and are subject to the approval of the Annual General Meeting of the shareholders.

2.4 Covered Period

The Consolidated Financial Statements include the financial statements of **VIVA PAYMENT SERVICES S.A.** and its subsidiaries and cover the period from 1st January 2018 to 31st December 2018.

2.5 Presentation of the Financial Statements

The Consolidated Financial Statements are presented in €, which is the functional currency of the Group and the Company, namely the currency of the primary economic environment in which the Group operates.
All amounts are in Euro, unless otherwise explicitly indicated.
Any differences in totals are due to rounding.

2.6 New standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after January 01, 2018. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IAS 40 (Amendments) "Transfers of Investment Property"

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence.
The application of the amendments did not have impact on Financial Statements of the Group.

IFRS 2 (Amendments) "Classification and measurement of Shared-based Payment transactions"

The amendments clarified the measurement basis for cash-settled, share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. It also introduces an exception to the principles in IFRS 2 that will require an award to be treated as if it was wholly equity-

settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority.
The application of the amendments did not have impact on Financial Statements of the Group.

IFRS 4 "Insurance Contracts" Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts"

The amendments provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called *overlay approach*;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called *deferral approach*.
- The application of both approaches is optional, and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

The *overlay approach* is to be applied when IFRS 9 is first applied. The *deferral approach* is effective for annual periods beginning on or after 1 January 2018 and is only available for three years after that date.
The application of the amendments did not have impact on Financial Statements of the Group.

IFRS 9 "Financial Instruments"

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model that was applied under IAS 39. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model in IAS 39.

On January 1, 2018, the Group adopted IFRS 9 Financial Instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement, and changes the requirements for the impairment of the Group's financial assets.

The Group applied the standard retrospectively without restatement of the comparative information for prior years, on 1 January 2018.

IFRS 9 was adopted without restating comparative information and therefore the adjustments arising from the new classification and impairment rules are not reflected in the statement of financial position on 31 December 2017, but are recognized in the opening statement of financial position on 1 January 2018.

The Group has applied the simplified approach in paragraph 5.5.15 of IFRS. 9 for the impairment of the expected credit losses on balances of trade and other receivables at the date of initial application.

The result of the requirements of the new standard was the increase in provisions for impairment of the Group by € 313.539, the increase of deferred tax assets by € 78.926 with a corresponding effect on the opening balance of the "Retained earnings" account. The table below present relevant calculations adopted:

Viva Wallet

Amounts are expressed in € '	31/12/2017		
Days		**Loss percentage**	**Loss amount**
0-180	99.274	1,50%	(1.489)
180-360	31.654	40,00%	(12.662)
>360	81.241	100,00%	(81.241)
Total receivables	**212.169**		**(95.392)**

Impairment losses according to the previous accounting policy:	(81.859)
Effect on impairment losses:	**(13.533)**
Deferred tax at 25%:	3.383
Effect in opening balances of "Retained earnings" as at 1/1/2018 from changes in accounting policy:	**(10.150)**

Amounts are expressed in € '	31/12/2018		
Days		**Loss percentage**	**Loss amount**
0-180	51.940	1,50%	(779)
180-360	-	40,00%	-
>360	100.679	100,00%	(100.679)
Total receivables	**152.619**		**(101.458)**

Impairment losses according to the previous accounting policy 31/12/2017:	(95.392)
Impairment losses charged to profit and loss account for the period 1/1-31/12/2018:	**(6.067)**

Group

Impairment losses according to the previous accounting policy:	(188.514)
Effect on impairment losses:	**(313.539)**
Deferred tax at 25%:	78.385
Effect in opening balances of "Retained earnings" as at 31/12/2018 from changes in accounting policy:	**(665.692)**

At **VIVA SERVICES SA**, for all trade receivables, an assessment for possible impairment has been undertaken upon relevant indications. Certain receivables have been impaired. The impaired receivables relate mainly to customers who face financial difficulties and their balances are estimated as non-recoverable. The Company recognized three categories of trade receivables:

- **Common Clients:** Customers with whom the company has cooperation according common trade term agreement,
- **Bartering Clients:** Collaborations with clients which include both sales and purchase agreement equally amounted throughout the contracted duration and eventually is being offset,
- **Bad debt:** Customers with uncollected amounts more than a year.

There is no existence of receivables in delay that have not been impaired.

The aging analysis of the receivables as well as the analysis of the provision for impairment based on the expected credit losses on the balances of trade and other receivables is as follows:

Viva Services

Category A (Common Clients) Amounts are expressed in € '	31/12/2017		
Days		Loss percentage	Loss amount
0-180	165.214	1,50%	(2.478)
180-360	101.342	40,00%	(40.537)
>360	238.778	100,00%	(238.778)
Total receivables	**505.335**		**(281.793)**

Category B (Bartering Clients) Amounts are expressed in € '	31/12/2017		
Days		Loss percentage	Loss amount
0-180	569.051	0,10%	(569)
180-360	73.406	5,00%	(3.670)
>360	139.795	10,00%	(13.980)
Total receivables	**782.252**		**(18.219)**

Category C (Bad debt) Amounts are expressed in € '	31/12/2017		
Days		Loss percentage	Loss amount
0-180	-	100,00%	-
180-360	-	100,00%	-
>360	106.649	100,00%	(106.649)
Total receivables	**106.649**		**(106.649)**
Total	**1.394.236**		**(406.661)**

Impairment losses according to the previous accounting policy:	(106.655)
Effect on impairment losses:	**(300.006)**
Deferred tax at 25%:	75.001
Effect in opening balances of "Retained earnings" as at 1/1/2018 from changes in accounting policy:	**(225.004)**

Category A (Common Clients) Amounts are expressed in € '	31/12/2018		
Days		Loss percentage	Loss amount
0-180	211.440	1,50%	(3.172)
180-360	151.180	40,00%	(60.472)
>360	390.248	100,00%	(390.248)
Total receivables	**752.868**		**(453.891)**

Category B (Bartering Clients) Amounts are expressed in € '	31/12/2018		
Days		Loss percentage	Loss amount
0-180	578.680	0,10%	(579)
180-360	-	5,00%	-
>360	93.592	10,00%	(9.359)
Total receivables	**672.272**		**(9.938)**

Category C (Bad debt) Amounts are expressed in € '	31/12/2018		
Days		Loss percentage	Loss amount
0-180	400	100,00%	(400)
180-360	-	100,00%	-
>360	100.004	100,00%	(100.004)
Total receivables	**100.404**		**(100.404)**
Total	**1.525.544**		**(564.233)**

Impairment losses according to the previous accounting policy 31/12/2017:	(406.661)
Impairment losses charged to profit and loss account for the period 1/1-31/12/2018:	**(157.572)**

Group

Impairment losses according to the previous accounting policy:	(188.514)
Effect on impairment losses:	**(313.539)**
Deferred tax at 25%:	78.385
Effect in opening balances of "Retained earnings" as at 31/12/2018 from changes in accounting policy:	**(665.692)**

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity recognises revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

IFRS 15 applies to all contracts with customers, except those in the scope of other standards such as:

- Financial instruments and other contractual rights or obligations within the scope of IFRS 9 'Financial Instruments', IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IAS 27 'Separate Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures'
- Lease contracts within the scope of IAS 17 'Leases' (or IFRS 16 'Leases'); and
- Insurance contracts within the scope of IFRS 4 'Insurance Contracts'.

IFRS 15 supersedes IAS 11 “Construction Contracts”, IAS 18 “Revenue” and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

On 1.1.2018, the Group adopted IFRS 15 by using the modified retrospective approach, meaning that the cumulative impact of the adoption was recognized in retained earnings and comparatives were not restated. However, they had no impact on their profitability, liquidity or financial position by applying IFRS 15 for the first time. Therefore, opening retained earnings for 2018 were not adjusted.

Revenue is the amount of consideration expected to be received in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (value-added tax, other sales taxes etc.).

Variable considerations are included in the transaction price and they are estimated using either the expected value method, or the most likely amount method.

Revenue is recognized when (or as) a performance obligation is satisfied by transferring the control of a promised good or service to the customer. A customer obtains control of a good or service if it has the ability to direct the use of and obtain substantially all of the remaining benefits from that good or service. Control is transferred over time or at a point in time .

Revenue from the sale of goods is recognized when control of the good is transferred to the customer, usually upon delivery and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. The main products of Company are POS Machines, Debit Cards, VoIP devices and talk time renewal codes for sell phones. Furthermore, the Company provides Show and sporting event’s tickets, travel services etc.

Revenue arising from services is recognized in the accounting period in which the services are rendered, and it is measured using either output methods or input methods, depending on the nature of service provided.

A receivable is recognized when there is an unconditional right to consideration for the performance obligations to the customer that are satisfied.

A contract asset is recognized when the performance obligation to the customer is satisfied before the customers pays or before payment is due, usually when goods or services are transferred to the customer before the Company has a right to invoice.

A contract liability is recognized when there is an obligation to transfer goods or services to a customer for which the Group has received consideration from the customer (prepayments) or there is an unconditional right to receive consideration before the Group transfers a good or a service (deferred income). The contract liability is derecognized when the promise is fulfilled and revenue is recorded in the profit or loss statement.

Revenue from rental income arising, from operating leases, is accounted for on a straight-line basis over the lease terms.

IFRIC 22 "Foreign currency transactions and advance consideration"

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts.
This amendment has no impact in the Group.

Annual Improvements to IFRS 2014 (2014 – 2016 Cycle)

IAS 28 "Investments in associates and Joint ventures"

The amendments clarified that when venture capital organizations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition.
This amendment has no impact in the Group.

Standards and Interpretations effective for subsequent periods

IAS 1 and IAS 8 (Amendments) "Definition of a material" (effective for annual periods beginning on or after 1 January 2020)

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRS.
The amendments have not yet been endorsed by the EU.

IAS 19 (Amendments) "Plan amendment, curtailment or settlement" (effective for annual periods beginning on or after 1 January 2019)

The amendments specify how companies determine pension expenses when changes to a defined benefit pension plan occur.
The amendments have not yet been endorsed by the EU.

IAS 28 (Amendments) "Long term interests in associates and joint ventures" (effective for annual periods beginning on or after 1 January 2019)

The amendments clarify that companies account for long-term interests in an associate or joint venture—to which the equity method is not applied—using IFRS 9.
The amendments have not yet been endorsed by the EU.

IFRS 3 (Amendments) "Definition of a business" (effective for annual periods beginning on or after 1 January 2020)

The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others.
The amendments have not yet been endorsed by the EU.

IFRS 9 (Amendments) "Prepayment Features with Negative Compensation" (effective for annual periods beginning on or after 1 January 2019)

The amendments allow companies to measure particular prepayable financial assets with so-called negative compensation at amortised cost or at fair value through other comprehensive income if a specified condition is met—instead of at fair value through profit or loss.
The Group is currently assessing the impact of the amendment.

IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
The Group is currently assessing the impact of IFRS 16.

IFRS 17 “Insurance Contracts” (effective for annual periods beginning on or after 1 January 2021)

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2021.
The new standard has not yet been endorsed by the EU.

IFRIC 23 “Uncertainty over income tax treatments” (effective for annual periods beginning on or after 1 January 2019)

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

Annual Improvements to IFRS (2015 – 2017 Cycle) (effective for annual periods beginning on or after 1 January 2019)

The amendments set out below include changes to four IFRSs.
The amendments have not yet been endorsed by the EU.

IAS 12 “Income taxes”

The amendments clarify that a company accounts for all income tax consequences of dividend payments in the same way.

IAS 23 “Borrowing costs”

The amendments clarify that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

IFRS 3 “Business combinations”

The amendments clarify that a company remeasures its previously held interest in a joint operation when it obtains control of the business.

IFRS 11 "Joint arrangements"

The amendments clarify that a company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

3. Critical accounting estimates and judgments

The preparation of the Consolidated Financial Statements in accordance with the International Financial Reporting Standards requires estimates and management judgements, which may affect the application of the accounting policies and the amounts included in the Consolidated Financial Statements.

Estimates and judgements are continuously evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 addressed below.

3.1 Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

3.2 Recoverability of deferred tax assets

Deferred tax assets include certain amounts which relate to carried forward tax losses. In most cases, depending on the jurisdiction in which such tax losses have arisen, such tax losses are available for set off for a limited period of time since they are incurred. The Group makes assumptions on whether these deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for relevant entity.

3.3 Estimation of the useful life and residual value of tangible assets

Judgment is required in determining the useful life and the residual value of tangible assets. The estimation of the useful life of an asset is a matter of judgment based on the experience of the Group's management of similar assets. The residual value and the useful life of an asset are reviewed at least annually, taking into account new facts and prevailing market conditions.

3.4 Provision for impairment of receivables

Management evaluates the estimated allowance based on specific reviews of customer balances taking into account its experience with collection trends in the market, the current economic conditions and also the securities and collaterals obtained from specific customers. The Group regularly reassesses the allowance for doubtful accounts receivable in conjunction with the customer's commercial behaviour taking into consideration reports from its legal department. Estimates are involved of amounts expected to be recovered in the case of defaulted customers taking into account any settlement arrangements, whether the customer is repaying agreed instalments, and expected recoveries from any collaterals held.

3.5 Post-employment benefits

Post-employment benefits are calculated at the discounted present value of future compensation benefits of employees which will have been accrued at year-end based on the assumption that those benefits are accrued equally during the employment period. Post-employment benefits are calculated on the basis of financial and actuarial assumptions that require management to make assumptions about discount rates, salaries increases rates, mortality and disability rates, retirement age and other factors. Due to the long term nature of these projections, these assumptions are subject to considerable uncertainty.

4. Summary of significant accounting policies

The significant accounting policies that have been adopted by the Group for the preparation of Consolidated Financial Statements are summarized below:

4.1 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re measurement are recognized in profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

The Company recognizes its investments in subsidiaries in separate financial statements at cost less impairment. In addition, the acquisition cost is adjusted to reflect changes in price resulting from any modifications of contingent consideration.

(b) Disposal of subsidiary

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(c) Joint ventures

According to IFRS 11 joint arrangements classified as joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor. The Group has classified its joint arrangements as joint ventures and they will be accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Investments in joint ventures are accounted for in the financial statements of the Company at the cost less impairment basis.

4.2 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Euro, which is the Company's and the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction date, in which income and expenses are translated at the rate of the dates of the transactions).
- all resulting exchange differences are recognised in other comprehensive income.

4.3 Intagible assets

Software
The software licenses (internally and externally acquiring) evaluated on the basis of cost less the accumulated amortizations.

The costs associated with maintenance of computer software costs are recognized in the period in which they occur.

The costs capitalized, are amortized on a straight-line method over the estimated useful lives (five to ten years). In addition, the acquired software is reviewed for impairment annually.

4.4 Property, Plant and Equipment

Fixed assets are reported in the financial statements at acquisition cost minus accumulated depreciation and possible impairment. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The repair and maintenance cost is recorded in the results when such is incurred.

Land is not depreciated. Depreciation of other of tangible assets is calculated using the straight line method over their useful life as follows:

- Facilities in the property of third parties, the purchase price , to the years of leasing or the years of their useful life (if less than the year lease)
- Computers and general Hardware (H/Y, screens, cameras, scanners etc.), 5 years
- Furniture and other equipment, 5 – 10 years
- For other tangible assets , the depreciation rates set out in the tax legislation were considered adequate

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other (losses)/gains – net" in the income statement.

4.5 Financial assets

Classification
The Group classifies its financial assets as "Loans and Receivables". The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Loans and receivables
These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets.

Recognition and measurement
The purchase and sales of investments are recorded for on the trade-date, which is the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at their fair value, plus expenses directly related to the transaction. Investments are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Loans and receivables are recognized initially at fair value and are carried subsequently at amortized cost using the effective interest method.

4.6 Fair Value

The fair value of investments that exist in an active market is proved by reference to quoted market prices at the balance sheet date. If the market for an investment is not active, management determines the fair value by using valuation techniques. The objective of using a valuation technique is to establish what the transaction price will be determined at the measurement date in an arm's length transaction motivated by normal business considerations. Valuation techniques include among others the use of recent arm's length transactions, reference to the current fair value of a substantially similar instrument and analysis of discounted cash flow.

4.7 Impairment of financial assets

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

The financial assets that are reviewed for impairment (provided that the relative indications exist) are assets stated at cost and assets measured at amortized cost based on the effective interest rate method (non-current receivables).

For the purposes of impairment testing of the financial assets the recoverable amount is determined based on the present value of future cash flows, discounted using the original asset-specific rate or a rate of a similar financial asset. Any resulting impairment losses are recognized in profit or loss.

Impairment loss of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables.

Serious problems that the customer encounters, the possibility of bankruptcy or financial reorganization and the inability of scheduled payments considered to be evidence that the receivable value must be impaired. The amount of the provision is the difference between the asset's carrying value and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized as an expense in the income statement.

4.8 Impairment of non-financial assets

Assets with an indefinite useful life, e.g. goodwill, are not depreciated, and are subject to impairment testing on an annual basis, and when certain events or changes to the circumstances suggest that their carrying value may not be recoverable. Assets that are depreciated are subject to impairment audit when indications exist that their book value is not recoverable. Impairment loss is recognized for the amount by which the fixed asset's carrying value exceeds its recoverable value. The recoverable value is the higher between fair value, reduced by the cost required for the disposal, and the value in use (current value of cash flows anticipated to be generated based on the management's estimates of future financial and operating conditions). For the calculation of impairment losses, assets are classified in the minimum cash generating units. Any non-financial assets, apart from goodwill, which have been impaired are reassessed for possible impairment reversal on each balance sheet date.

4.9 Inventories

Inventories are stated at the lower of acquisition cost and net realizable value. Cost is determined using the weighted average cost method. The cost of finished and semi-finished inventories includes cost of design, raw materials, direct labour, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses and in case of work-in-progress estimated costs to completion.

Provision for slow-moving or obsolete inventories is formed when necessary.

4.10 Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

4.11 Cash and cash equivalent

Cash and cash equivalents include cash in hand and deposits held at call with banks.

It also includes bank deposits and short term highly liquidity investments with an original maturity of three months or less.
For the preparation of the Consolidated cash flow statement, Cash and cash equivalents comprise cash in hand and bank deposits as defined above.

4.12 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.

Incremental costs directly attributable to the issue of new Company parts are shown after the reduction of the relative income tax, in reduction of equity.

4.13 Earnings per share

Basic earnings per share are computed by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during each year. Diluted earnings per share are computed by dividing the profit for the year attributable to the Company's owners by the weighted average number of shares outstanding during the year adjusted for the impact of share based payments.

4.14 Trade payables

Trade payables are obligations to make payments for products or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and are subsequently measured at amortized cost using the effective interest method.

4.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is computed based on the tax legislation established as of the balance sheet date, in accordance with the tax rules in force in Greece. Current income tax expense consists of income taxes for the current year based on entity’s profits as adjusted in its tax returns and additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted tax rates. Company’s foreign subsidiary is taxed on its taxable income based on tax rate of 19% in United Kingdom.

Management regularly evaluates its position on matters related to the tax authorities and considers provisions where necessary for the amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred tax liability is settled.
Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

4.16 Employee benefits

a) Post-employment benefits
The employee benefits after their retirement include defined contribution programs and defined benefit programs. A defined contribution scheme is a pension plan under which the Group makes fixed payments to a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The regular contributions for defined contribution plans constitute net periodic costs for the year in which they are due and as such are included in staff costs.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability that is reported in the balance sheet with respect to defined benefit schemes is the present value of the liability for the defined benefit on the balance sheet date. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by using the rate of long-term Greek government bonds, however, because of current economic conditions the yield curve of the European Central Bank bonds was used instead of Greek government bonds.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognized immediately in profit or loss.

b)Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date. The Group recognizes termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Where there is uncertainty about the number of employees who will accept an offer of termination benefits, the Company discloses information about the contingent liability.

4.17 Defined Contribution plans

The staff of company is mainly covered by the main National Insurance Agency in relation to the private sector (National Insurance Agency) which provides retirement and medical benefits. Each employee is required to contribute part of their monthly salary to the fund, part of the overall contribution is paid by the company. Upon retirement, the pension fund is responsible for paying pension benefits to employees. Consequently, the company has no legal or constructive obligation to pay future benefits under this program.

Under the defined contribution plan, the company's obligation (legal or constructive) shall be limited to the amount agreed to contribute to the organization (e.g. fund) that manages contributions and provides benefits. Consequently the amount of benefits the employee will receive is determined by the amount paid by the company (or the employee) and paid by the investment of those contributions.

The contribution payable by the company in a defined contribution plan is recognized as a liability after deduction of the contribution paid and the corresponding output.

4.18 Defined benefit plans

The liability in the balance sheet for defined benefit plans is the present value of the liability for the defined benefit under the Law 2112/20 and changes resulting from any actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method unit (projected unit credit method).

Actuarial gains and losses arising from experience adjustments and changes in proportional cases charged or credited with any deferred tax that relates to other comprehensive income.

Past service cost is recognized immediately in profit or loss unless the changes in pension plans are dependent on the retention of employees in service for a specified period of time (vesting date). In this case, past service cost is amortized on a consistent basis until the date of vesting of benefits.

4.19 Share-Based Payment Transactions

The Group provides to key management personnel remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (“equity settled transactions”). The cost of equity settled transactions is measured by reference to the fair value at the date on which they are granted. The fair value is determined at the grant date, using an appropriate pricing model, and is allocated over the period in which the conditions are fulfilled. The cost of equity settled transactions is recognized, together with a corresponding increase to equity over the vesting period.

4.20 Provisions

Provisions are recognized when: The Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as financial expense. Provisions are reviewed on each date of financial statements and if an outflow of funds to settle the obligation is unlikely, they are reversed in the income statement.

When the Group expects the recovery of a compensation to settle a provision, for instance under an insurance contract, the reimbursement is recognized as a separate asset only when it is virtually certain.

4.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods or services supplied, stated net of discounts, returns and value added taxes.

The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

a) Sales of goods - wholesale
Sales of goods are recognized when the entity has delivered products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with volume discounts. Sales are recorded based on the price specified in the sales contracts, net of the estimated volume discounts at the time of sale. Accumulated experience is used to estimate and provide for the discounts, which are assessed based on anticipated annual purchases.

b) Interest income
Interest income is recognized on an accrual basis using the effective interest method. When a receivable is impaired, the Group reduced the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income.

c) Sales of services
Sales of services are recognized in the accounting period in which the services are rendered, by reference to the stage of completion of the specific service.

In the case where the Group acts as an agent, the commission rather than gross revenue is recognized as revenue.

d) Dividends
Dividends are recognized as income when the payment is accrued.

4.22 Leases

a) Where the Group is the lessee

Operating lease – leases in which substantially all risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received by the lessor) are charged to the income statement on a straight-line basis over the period of the lease. There were no material operating leases for the periods covered by the financial statements.

Finance lease – leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the balance of the lease liability outstanding. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Finance charges are charged to the income statement.

b) Where the Group is the lessor

Operating lease – leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

4.23 Guarantees

The Group receives advance payments from tenants as a guarantee under operating leases. These guarantees are financial liabilities under IAS 39 and are initially recognized at fair value. Subsequently, they are measured at amortized cost using the effective interest rate method. Guarantees are recognized in short-term liabilities unless the Group has the right to postpone the settlement of the liability for 12 months after the balance sheet date, in which case they are recognized in the long-term liabilities.

5. Notes on the balance sheet data and the income statement

5.1 Property, plant and equipment

GROUP					
Amounts in €'	Buildings	Land	Means of trasnportaion	Furniture and other equipment	Total
Acquisition cost 1/1/2017	**401.333**	**-**	**15.000**	**1.904.906**	**2.321.238**
less: Cumulative amortization	**(79.892)**	**-**	**(203)**	**(1.227.402)**	**(1.307.497)**
Net book value 1/1/2017	321.441	-	14.797	677.503	1.013.741
Additions	90.478	-	-	1.217.701	1.308.178
Annual amortization	(43.554)	-	(2.400)	(267.284)	(313.238)
Acquisition cost 31/12/2017	**491.810**	**-**	**15.000**	**3.122.606**	**3.629.417**
less: Cumulative amortization	**(123.445)**	**-**	**(2.603)**	**(1.494.686)**	**(1.620.735)**
Net book value 31/12/2017	368.365	-	12.397	1.627.920	2.008.682
Additions	49.575	-	-	1.932.957	1.982.531
Annual amortization	(48.061)	-	(2.400)	(455.140)	(505.601)
Acquisition cost 30/6/2018	**541.385**	**-**	**15.000**	**5.055.563**	**5.611.948**
less: Cumulative amortization	**(171.507)**	**-**	**(5.003)**	**(1.949.826)**	**(2.126.336)**
Net book value 31/12/2018	369.878	-	9.997	3.105.737	3.485.612

COMPANY					
Amounts in €'	Buildings	Land	Means of trasnportaion	Furniture and other equipment	Total
Acquisition cost 1/1/2017	**401.333**	**-**	**-**	**1.360.384**	**1.761.716**
less: Cumulative amortization	**(79.892)**	**-**	**-**	**(1.018.808)**	**(1.098.700)**
Net book value 1/1/2017	321.441	-	-	341.575	663.016
Additions	90.478	-	-	47.296	137.774
Annual amortization	(43.554)	-	-	(48.671)	(92.225)
Acquisition cost 31/12/2017	**491.810**	**-**	**-**	**1.407.680**	**1.899.490**
less: Cumulative amortization	**(123.445)**	**-**	**-**	**(1.067.479)**	**(1.190.925)**
Net book value 31/12/2017	368.365	-	-	340.201	708.566
Additions	26.732	-	-	11.557	38.288
Annual amortization	(47.556)	-	-	(47.395)	(94.950)
Acquisition cost 31/12/2018	**518.542**	**-**	**-**	**1.419.237**	**1.937.779**
less: Cumulative amortization	**(171.001)**	**-**	**-**	**(1.114.874)**	**(1.285.875)**
Net book value 31/12/2018	347.541	-	-	304.363	651.903

Depreciation expenses are allocated in the Statement of Comprehensive Income.

The Group has no collaterals on its property, plant and equipment.

5.2 Intangible Assets

GROUP Amounts in €'	Software	Assets under construction	Total
Acquisition cost 1/1/2017	**6.014.937**	**1.132.468**	**7.147.406**
less: Cumulative amortization	**(3.358.405)**	**-**	**(3.358.405)**
Net book value 1/1/2017	**2.656.532**	**1.132.468**	**3.789.001**
Additions	709.989	532.378	**1.242.367**
Transfers	34.000	(34.000)	**-**
Annual amortization	(876.045)	-	**(876.045)**
Acquisition cost 31/12/2017	**6.758.926**	**1.630.846**	**8.389.772**
less: Cumulative amortization	**(4.234.450)**	**-**	**(4.234.450)**
Net book value 31/12/2017	**2.524.476**	**1.630.846**	**4.155.322**
Additions	134.264		**134.264**
Transfers	842.277	(842.277)	**-**
Annual amortization	1.059.428	-	**1.059.428**
Acquisition cost 31/12/2018	**7.735.467**	**788.569**	**8.524.037**
less: Cumulative amortization	**(3.175.022)**	**-**	**(3.175.022)**
Net book value 31/12/2018	**4.560.445**	**788.569**	**5.349.014**

COMPANY Amounts in €'	Software	Assets under construction	Total
Acquisition cost 1/1/2017	**1.915.285**	**375.227**	**2.290.512**
less: Cumulative amortization	**(1.276.676)**	**-**	**(1.276.676)**
Net book value 1/1/2017	**638.609**	**375.227**	**1.013.836**
Additions	24.848	-	**24.848**
Annual amortization	(243.099)	-	**(243.099)**
Acquisition cost 31/12/2017	**1.940.133**	**375.227**	**2.315.360**
less: Cumulative amortization	**(1.519.775)**	**-**	**(1.519.775)**
Net book value 31/12/2017	**420.358**	**375.227**	**795.585**
Additions	35.414	-	**35.414**
Annual amortization		(240.653)	**(240.653)**
Acquisition cost 31/12/2018	**1.975.547**	**375.227**	**2.350.774**
less: Cumulative amortization	**(1.519.775)**	**(240.653)**	**(1.760.428)**
Net book value 31/12/2018	**455.772**	**134.574**	**590.346**

Additions of intangible assets are due to the development of software systems to enable and extend services to existing and new market segments.

The Group's management has performed an impairment test of the value of the intangible assets that have been developed within the Group by capitalization of the related development costs and which are in operation during the current year.

This impairment test did not require the impairment of these intangible assets as the present value of future inflows exceeds their net book value as shown in the financial statements of the Group.

Amortization expenses are allocated in the Statement of Comprehensive Income.

5.3 Investment in subsidiaries and associates companies

Company's investment to subsidiaries is analysed as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
VIVA SERVICES S.A.	-	-	7.000.000	2.000.000
VIVA PAYMENTS S.A	-	-	3.500.040	3.500.040
VIVA WALLET.COM LTD	-	-	913.091	-
Total	**-**	**-**	**11.413.131**	**5.500.040**

Company's investment to associates is analysed as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
ELORUS	154.020	167.436	154.020	167.436
INDEV	188.644	30.965	188.644	30.965
UNIFUND	37.500	-	37.500	-
LYVARIAN	-	335.888	-	335.888
Total	**380.164**	**534.290**	**380.164**	**534.290**

Structure of the Group

Subsidiaries	31/12/2018	31/12/2017
VIVA SERVICES S.A.	3.500.040	3.500.040
VIVA PAYMENTS S.A	7.000.000	2.000.000
VIVA WALLET.COM LTD	913.091	-
Total investment in subsidiaries	**11.413.131**	**5.500.040**

Associates	31/12/2018	31/12/2017
ELORUS PRIVATE COMPANY IKE	154.020	167.436
INDEV A.E.	188.644	30.965
LYVARIAN	-	335.888
UNIFUND	37.500	-
Total investment to associates	**380.164**	**534.290**

Summary Financial Figures of Subsidiaries as at 31/12/2018

		31/12/2018					
Name	Country of origin	Acquisition	Assets	Liabilities	Net Revenue	Profit/(Loss) after tax	Participation
VIVA ONLINES SERVICES S.A.	Greece	3.500.040	8.146.940	6.441.804	6.297.099	(677.495)	100%
VIVA ELECTRONICS PAYMENTS S.A	Greece	7.000.000	56.021.469	45.386.437	12.086.115	2.842.113	100%
VIVA WALLET LTD	United Kingdom	913.091	869.261	160.044	2.576	(184.658)	100%
ELORUS PRIVATE COMPANY	Greece	154.020	21.784	105.710	131.653	(67.082)	20%
INDEV AE	Greece	188.644	152.609	193.520	752.492	125.595	25%
UNIFUND	Greece	37.500	-	-	-	(753.012)	1,66%

Summary Financial Figures of Subsidiaries as at 31/12/2017

		31/12/2017					
Name	Country of origin	Acquisition	Assets	Liabilities	Net Revenue	Profit/(Loss) after tax	Participation
VIVA ONLINES SERVICES S.A.	Greece	3.500.040	8.420.869	5.815.603	7.011.609	(526.848)	100%
VIVA ELECTRONICS PAYMENTS S.A	Greece	2.000.000	32.879.319	30.071.207	7.786.981	805.687	100%
VIVA WALLET LTD	United Kingdom	-	-	-	-	-	100%
ELORUS PRIVATE COMPANY	Greece	167.436	3.529	36.942	67.689	(150.323)	20%
INDEV AE	Greece	30.965	9.571	39.934	284.959	3.861	25%
LYVARIAN	Cyprus	-	397.069	86.804	5.340	16.760	30%

VIVA PAYMENTS SA, **VIVA SERVICES SA** and **VIVA WALLET.COM LTD** are consolidated under the full consolidation method, while **ELORUS PRIVATE COMPANY** and **INDEV S.A** under the equity method.

Elorus is a new technology company active in the fintech industry. It develops modern methods of finance organization for freelancers and businesses. Through an online e-invoicing application, professionals can, among other things, issue electronic invoices, accept electronic payments, record their costs and monitor their business fluidity.

INDEV SA is a high-level software development company. Its clients include some of the largest financial institutions and multinational companies. The team consists of developers, creatives and analysts, and develops software using cutting-edge technologies (Django, ES2015 +, React, Ansible, Postgres, .NET Core). In 2018, Viva Wallet Holdings increased its shareholding in INDEV to 30%.

Uni.fund is Venture Capital Mutual Fund (A.K.E.S.) with primary purpose to invest in innovative companies or branches preferably active in the RnD space and broader technology sectors, including small / medium enterprises in pre-seed, proof of concept and seed stages as defined by Invest Europe. These enterprises . Viva Holdings participates in the fund by 1,66% in 2018.

5.4 Deferred tax asset

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	GROUP					
Amounts are expressed in € '	**31/12/2018 Receivables**	**31/12/2018 Liabilities**	**31/12/2017 Receivables**	**31/12/2017 Liabilities**	**31/12/2018 Income / (Expense)**	**31/12/2017 Income / (Expense)**
Intangible assets	10.616	-	10.616	-	-	-
Liabilities for employee compensation due to retirement	64.293	-	38.586	-	22.621	15.081
Impairment of receivables	230.279	-	99.484	-	52.410	22.197
Impairment of investments	-	(11.902)	-	(8.961)	(2.941)	8.439
Difference in tax rate	(59.067)	-	29.989	-	(89.056)	-
Interest of Bond loan	25.329	-	11.232	-	14.097	-
Recognition of tax loss	707.010	-	489.063	-	217.947	217.739
Provision of accrued but non-invoiced commissions	17.077	-	13.632	-	3.444	9.078
Total	**995.536**	**(11.902)**	**692.602**	**(8.961)**	**218.522**	**272.534**
Deferred tax asset/ (liabilities)	**983.634**		**683.641**			
Tax to OCI					**3.086**	**(19.382)**
Tax to Comprehensive income					**221.608**	**253.153**

Amounts are expressed in € '	COMPANY 31/12/2018 Receivables	31/12/2018 Liabilities	31/12/2017 Receivables	31/12/2017 Liabilities	31/12/2018 Income / (Expense)	31/12/2017 Income / (Expense)
Intangible assets	173	-	173	-	-	-
Liabilities for employee compensation due to retirement	5.853	-	5.627	-	1.415	1.419
Impairment of receivables	25.319	-	20.419	-	1.517	(3.911)
Impairment of investments	-	(11.902)	-	(8.961)	(2.941)	8.439
Difference in tax rate	(12.557)	-	23.205	-	(35.762)	-
Interest of Bond loan	25.329	-	11.232	-	14.097	-
Recognition of tax loss	366.155	-	207.579	-	158.576	90.898
Total	**410.272**	**(11.902)**	**268.235**	**(8.961)**	**136.902**	**96.845**
Deferred tax asset/ (liabilities)	**398.370**		**259.273**			
Tax to OCI					**(1.189)**	**(988)**
Tax to Comprehensive income					**135.714**	**95.857**

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. The Group recognized deferred income tax assets of € 707.010 (€ 366.155 for the Company) in respect of losses amounting to € 871.789 (€ 634.303 for the Company) that can be carried forward against future taxable income.

Current tax liabilities include short-term liabilities payable to the tax authorities related to the above taxes payable (tax on assets for the Company and the domestic subsidiary and income tax for foreign subsidiaries). Management regularly evaluates its position on matters related to the tax authorities and considers provisions where necessary for the amounts expected to be paid to the tax authorities.

Up until 31.12.2018 the tax authorities have not notified for any control order of the Parent Company and its subsidiaries for the fiscal years 2010, 2011 and 2012. Therefore, the right of the State to disclose audit trails and transactions for the determination of tax, fees, levies and fines for the purpose of charging a tax has been time-barred for the aforementioned, reported uses pursuant to (a) paragraph 1 of article 84 of law 2238/1994 (unaudited income tax cases); b) paragraph 1 of article 57 of Law 2859/2000 (non-audited cases of VAT and c)) of par. 5 of article 9 of Law 2523/1997 (imposition of fines for income tax cases). Management considers that the circumstances limiting the aforementioned laws, which could extend the five-year limitation period to ten years, are not met.

In addition, the Group has been tax audited by a certified auditor according to Law 4174/2013 article 65A and the POL no. 1124/18.6.2015 decision of the General Secretary of Public Revenue of the Ministry of Finance and has received a tax certificate for the years 2014, 2015, 2016 and 2017. Also, the Tax Authorities have the right to conduct tax audit for the above mentioned years. The Group expect to receive the tax certificate for the year 2018. For the fiscal year 2013 which remains unaudited by the tax authorities, the Management estimates that the taxes that may arise will not have a material effect on the financial statements and has provided accordingly.

For the fiscal year 2017, the rate used for calculating income tax and deferred tax is 29%, namely the rate set by the current law on 31/12/2017. For the current fiscal, deferred taxes were calculated with 25% rate based on the recently applying law 4579/2018 (article 23) on 31/12/2018.

	Unaudited Years form Tax Authorities	Tax Certificate
VIVA WALLET SA	2013	2014-2017
VIVA PAYMENTS SA	2013	2014-2017
VIVA SERVICES SA	2013	2014-2017

The Company's foreign subsidiary is taxed on its taxable income based at tax rates of 19% in United Kingdom. For the year ended December 31, 2018, for the subsidiary no income tax arose, as it resulted losses of € 186 thousand for the period.

5.5 Other non-current assets

Other non-current assets consist of guarantees provided by the Group and are analysed as:

	GROUP		COMPANY	
Amounts are expressed in € '	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Guarantees on leased buildings	81.100	80.100	81.100	80.100
Guarantees on leased means of transport	38.394	16.241	8.283	8.283
Guarantees on Public Power Company	24.530	3.494	-	-
Card schemes guarantees	696.877	500.381	381	381
Non-current prepaid expenses	548.744	-	-	-
Total	**1.389.644**	**600.216**	**89.764**	**88.764**

Non-current prepaid assets include the scheme fees that **VIVA PAYMENTS S.A** paid in order to obtain the license for the transactions clearance.

5.6 Trade and other receivables

The analysis of Trade and other receivables is as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Domestic customers	2.026.441	2.095.045	565.745	192.990
Foreign customers	119.179	42.105	119.179	19.179
Total	**2.145.620**	**2.137.150**	**684.924**	**212.169**
- Less: Provisions for doubtfull accounts	(665.692)	(188.514)	(101.458)	(81.859)
Total	**1.479.928**	**1.948.636**	**583.465**	**130.311**

The customers receivables do not constitute of interest-bearing items and are usually regulated from the course activities of the Group, in a short period of time.

For all the Group's receivables, an estimate of the probable impairment has been made. Some of the claims have been impaired. For these receivables, the Group has formed an additional provision for the fiscal year 2018, of the amount of € 477.178. The impaired receivables mainly relate to certain levels of aged balances that are considered to be irrecoverable.

The ageing analysis of the impaired receivables is as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Days				
60-90	3.243	-	-	-
91-120	327	-	-	-
121-180	1.359	-	779	-
181-365	60.472	-	-	-
>365	600.291	188.514	100.679	81.859
Total	**665.692**	**188.514**	**101.458**	**81.859**

The fair value of these financial assets is not determined independently, as the carrying amount is considered to approximate their fair value.

The movement in the provision of impairment of Customers and other trade receivables is set out below.

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Balance at the beginning of the year	**188.514**	**197.750**	**81.859**	**102.835**
New provision	477.178	11.740	19.600	-
Reversal of unused provision	-	(20.977)	-	(20.977)
Balance at the end of the year	**665.692**	**188.514**	**101.458**	**81.859**

The movement in the provision for impairment has been included in the statement of comprehensive income.

For all trade receivables, an assessment for possible impairment has been undertaken upon relevant indications. Certain receivables have been impaired. The impaired receivables relate mainly to customers who face financial difficulties and their balances are estimated as non-recoverable.

The aging analysis of the receivables as well as the analysis of the provision for impairment based on the expected credit losses on the balances of trade and other receivables is as follows:

Viva Wallet

Amounts are expressed in € '	31/12/2017	Loss percentage	Loss amount
Days			
0-180	99.274	1,50%	(1.489)
180-360	31.654	40,00%	(12.662)
>360	81.241	100,00%	(81.241)
Total receivables	**212.169**		**(95.392)**

Impairment losses according to the previous accounting policy:	(81.859)
Effect on impairment losses:	**(13.533)**
Deferred tax at 25%:	3.383
Effect in opening balances of "Retained earnings" as at 1/1/2018 from changes in accounting policy:	**(10.150)**

Amounts are expressed in € '	31/12/2018	Loss percentage	Loss amount
Days			
0-180	51.940	1,50%	(779)
180-360	-	40,00%	-
>360	100.679	100,00%	(100.679)
Total receivables	**152.619**		**(101.458)**

Impairment losses according to the previous accounting policy 31/12/2017:	(95.392)
Impairment losses charged to profit and loss account for the period 1/1-31/12/2018:	**(6.067)**

Group

Impairment losses according to the previous accounting policy:	(188.514)
Effect on impairment losses:	**(313.539)**
Deferred tax at 25%:	78.385
Effect in opening balances of "Retained earnings" as at 31/12/2018 from changes in accounting policy:	**(665.692)**

5.7 Inventories

The Inventories are analysed as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Merchandise	1.496.073	1.637.202	-	-
Total realisable value	**1.496.073**	**1.637.202**	**-**	**-**
Provision for impairment	-	-	-	-
Total net realisable value	**1.496.073**	**1.637.202**	**-**	**-**

Group's inventories include:

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
POS terminals	994.519	1.452.130	-	-
Top up cards	130.832	76.799	-	-
Debit cards	319.506	105.054	-	-
Voip devices	3.219	3.219	-	-
Total	**1.448.077**	**1.637.202**	**-**	**-**

The major part of the value of the subsidiary “VIVA ONLINE SERVICES SA” inventories consists of the POS machines which the subsidiary buys and resells to cooperating traders.

The «Debit cards» inventory amount consist of the purchase of new Debit cards amounting to € 277.959 and the packaging supplies amounting to € 41.546.

It is noted that inventories are valued at each Statement of Financial Position date at the lower of cost and net realizable value.

The cost of inventories recognized as an expense within “Cost of Sales” during the current and prior year for the Group was € 1.489.739 and € 1.960.609 respectively.

For the current and previous year no provision for impairment was required. In addition, there are no stocks that have been pledged to secure claims.

5.8 Prepayments

This item shows the debit balances of the Group’s and Company's suppliers:

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Advances to domestic suppliers	2.636.351	1.559.640	100.657	27.841
Advances to foreign suppliers	266.976	1.264	5.409	-
Total	**2.903.326**	**1.560.904**	**106.066**	**27.841**
"-Less: Provisions for doubtfull accounts	(162.965)	(116.965)	(7.490)	(7.490)
Total	**2.740.361**	**1.443.938**	**98.576**	**20.351**

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Balance at the beginning of the year	**116.965**	**39.595**	**7.490**	**-**
New provision	46.000	77.370	-	7.490
Balance at the end of the year	**162.965**	**116.965**	**7.490**	**7.490**

5.9 Receivables from taxes

The analysis of the item is as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Greek State – Taxes Prepaid - Taxes withheld	19.613	19.613	-	-
Tax withheld at source on interest income	29.387	30.569	66	4
Income Tax Prepayment	401.463	353.252		
Other taxes and duties	129	129	-	-
VAT refund	85.941	298.203	75.023	109.403
Total	**536.534**	**701.766**	**75.089**	**109.407**

5.10 Other current receivables

The item “Other current receivables” includes:

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Other debtors	3.769.142	5.492.610	300	300.800
Advances to Personnel	22.646	24.297	-	275
Receivables from Board Members	16.793	135.696	-	-
Prepaid Expenses	378.601	856.390	20.859	51.908
Rentals	24.454	388.770	24.454	388.770
Accrued revenue	39.446	143.141	-	60.000
Total	**4.251.082**	**7.040.904**	**45.612**	**801.752**

Pending transactions amounting to € 3.729.333 are included in Other debtors and relate to transactions which were pending to be cleared as at 31/12/2018.

The item Prepaid Expenses includes € 141 thousand prepayments regarding grants. Total amount is estimated to be realized in Income Statement until next year.

The fair values is considered to approximate their book value. Additionally, the maximum exposure to credit risk , excluding guarantees and credit enhancement, is considered to approximate their book value.

5.11 Cash and cash equivalents

The Group’s and the Company's Cash and cash equivalents are analysed as shown in the table below:

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Bank deposits	42.193.245	21.709.355	2.805.952	113.899
Cash on hand	17.328	23.237	-	215
Total	**42.210.573**	**21.732.591**	**2.805.952**	**114.114**

5.12 Share Capital

The share capital of the Company as at 31/12/2018 was € 1.000.645 and consists 1.000.645 ordinary shares with a nominal value of € 1,00 each one. All issued shares have been fully paid, provide the same rights to receive dividends and to the repayment of the capital and represent one vote per share at the General Shareholders' Meeting of the Company.

	31/12/2018		31/12/2017	
Amounts are expressed in € '	Number of shares	Nominal value	Number of shares	Nominal value
Number of approved shares				
Ordinary shares	1.000.645	1,00 €	940.000	1,00 €
Preferred shares				
Fully paid shares				
Ordinary shares	1.000.645	1,00 €	940.000	1,00 €
Preferred shares				

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Share capital of the beginning of the period	**940.000**	**940.000**	**940.000**	**859.427**
Increase in share capital	60.645	-	60.645	80.573
Share capital of the end of the period	**1.000.645**	**940.000**	**1.000.645**	**940.000**

5.13 Share Premium

The figure “Share premium” for the Group of a total amount of € 10.751.894 resulted from the successive increases in equity of companies issuing new shares at a price above par value. In the current year, 60.645 new shares with a nominal value of € 1 each and a disposal price of € 82,447 each were issued. The excess amount formed the change in the figure in the previous accounting period.

5.14 Reserves

The Company's item «Reserves» is analysed below:

Amounts are expressed in € '	Legal reserve	Convertible bond loan reserve	Tax-free reserves	Other reserves	Total
Balance as at 1/1/2017	**187.824**	**9.194**	**180.000**	**(25.320)**	**351.698**
New Reserves	51.551	244.521	-	314.098	610.170
Balance as at 31/12/2018	**239.375**	**253.715**	**180.000**	**288.778**	**961.868**

Amounts are expressed in € '	Legal reserve	Convertible bond loan reserve	Tax-free reserves	Other reserves	Total
Balance as at 1/1/2017	**137.392**	**(806)**	**180.000**	**-**	**316.586**
New Reserves	-	244.521	-	298.778	543.299
Balance as at 31/12/2018	**137.392**	**243.715**	**180.000**	**298.778**	**859.885**

Legal reserves
According to Codified Law 2190/1920 5% of profits after tax must be transferred to a legal reserve until this amount to 1/3 of the Company’s share capital. This reserve cannot be distributed but may be used to offset losses.

Convertible bond loan reserve
The convertible Bond loan reserve of € 244.621 formed during 2018 is related to the Agreement between Viva Wallet SA and the shareholder Diorama Investments Sicar SA at 16th of March 2018

Other reserves
Extraordinary reserves represent prior years retained earnings and may be distributed to the shareholders with no additional tax following a relevant decision by the Annual General Assembly Meeting.

5.15 Retained earnings

Retained earnings include cumulative retained earnings and IFRS adjustments. The current year's movement is depicted in the Statement of Changes in Equity.

5.16 Borrowings

Bank borrowed funds maintain fixed rate structures and therefore do not expose the Company to risk from fluctuations of interest rates and of future cash flows.

Company's and Group's loans analysed as follows:

	GROUP		COMPANY	
Long term loans	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Long term loans	5.311.866	1.368.062	4.811.866	-
Total long term loans	**5.311.866**	**1.368.062**	**4.811.866**	**-**
Short term loans	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Short term loans	250.000	2.601.719	-	140.707
Total short term loans	**250.000**	**2.601.719**	**-**	**140.707**
Total borrowings	**5.561.866**	**3.969.781**	**4.811.866**	**140.707**

The maturity of loans, is as follows:

GROUP				
Borrowings as at 31/12/2018	**Long term loans**	**Bond Loan**	**Short term loans**	**Total**
1 year and less	-	-	250.000	250.000
Between 1 and 5 years	500.000	4.811.866	-	5.311.866
Over 5 years	-	-	-	-
Total	**500.000**	**4.811.866**	**250.000**	**5.561.866**

GROUP				
Borrowings as at 31/12/2017	**Long term loans**	**Bond Loan**	**Short term loans**	**Total**
1 year and less	-	-	2.601.719	2.601.719
Between 1 and 5 years	1.368.062	-	-	1.368.062
Over 5 years	-	-	-	-
Total	**1.368.062**	**-**	**2.601.719**	**3.969.781**

COMPANY				
Borrowings as at 31/12/2018	**Long term loans**	**Bond Loan**	**Short term loans**	**Total**
1 year and less	-	-	-	-
Between 1 and 5 years	-	4.811.866	-	4.811.866
Over 5 years	-	-	-	-
Total	**-**	**4.811.866**	**-**	**4.811.866**

Borrowings as at 31/12/2017	COMPANY Long term loans	Bond Loan	Short term loans	Total
1 year and less	-	-	140.707	140.707
Between 1 and 5 years	-	-	-	-
Over 5 years	-	-	-	-
Total	**-**	**-**	**140.707**	**140.707**

The exposure of the Group's borrowings to interest rate changes and contractual reprising dates are limited to a maximum period of 6 months.

The weighted interest rate paid is as follows:

According to the Agreement between Viva Wallet SA and Diorama Investment Sicar SA a convertible bond amounted at € 5.000.000 was issued. The Loan is divided to 5.000.000 Bonds convertible into shares of nominal value € 1 each. The maturity period is 25 months and the annual interest rate is 2.5%.

The fair value of current borrowings approximates their carrying amount on reporting dates, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on current variable interest rates.

The Group is not exposed to any foreign exchange risk in relation to the loans undertaken, as all borrowings are denominated in the presentational currency (Euro).

Loans refer to short term borrowing from domestic commercial banks at a fixed interest rate 5,5% (2017: 5,5%).

5.17 Provision for personnel compensation

Employee compensation liabilities are determined through an actuarial study carried out by a certified actuary.

Actuarial assumptions 01/01/2018-31/12/2018	
Technical interest rate	1.50%
Salary future increase	0.50%
Inflation rate	1.80%
Net rate of retirement	0.00%

On 31/12/2018, the Group had 162 employees and the Company had 10 employees. On 31/12/2017 the Group had 168 employees and the Company had 10 employees. The amount of the liability recognized in the Group's and the Company's financial statements is:

Amounts are expressed in € '	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Obligations for defined benefit plans	256.298	153.469	32.398	31.491
Net liability recognized in the Statement of Financial Position	**256.298**	**153.469**	**32.398**	**31.491**

Amounts are expressed in € '	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Opening balance of defined benefit plans	**153.469**	**168.299**	**31.491**	**30.004**
Current service cost	93.220	55.334	5.189	4.443
Interest cost	2.301	2.524	472	450
Past service cost	61.959	27.672	-	-
Actuarial (gain) / loss	12.345	(66.833)	(4.754)	(3.406)
Employer's paid benefit	(66.996)	(33.527)	-	-
Liability in Statement of Financial Position	**256.298**	**153.469**	**32.398**	**31.491**

In accordance with the revised IAS 19 (paragraph 63), the liability for benefits to employees recognized in the balance sheet is equal to the actuarial liability at the date of calculation.

Also, in accordance with the revised IAS 19 (paragraph 141), the liability for employee benefits recognized in the year-end balance sheet is equal to the opening balance sheet liability after the effect of the following:

- Service cost
- Interest cost
- Contribution of employees and employers
- Benefit paid
- Gain and losses from reductions
- Changes to actuarial liability or to the assets of the program
- Changes in exchange rate for calculation of plan assets in case of using different currency from that than this of the country's in which the subject Company is located etc.

In accordance with the revised IAS 19 in the Statement of Comprehensive Income (OCI), the actuarial gains / (losses) arising in each fiscal year are recognized in full. The amount recognized in Equity (OCI) amounts to € 12.345 (loss) for 2018 compared to € 66.833 for the year 2017 for the Group, and € 4.754 for 2018 compared to € 3.406 for the year 2017 for the Company.

Amounts are expressed in € '	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Current service cost	93.220	55.334	5.189	4.443
Interest cost	2.301	2.524	472	450
Past service cost	61.959	27.672	-	-
Actuarial (gain) / loss	12.345	(66.833)	(4.754)	(3.406)
Expenses in Statement of Comprehensive Income	**169.825**	**18.697**	**907**	**1.487**

Accounting Illustrations

On June 16, 2011, the International Accounting Standards Board (IASB) amended the IAS 19.
The revised IAS 19 R is effective for fiscal periods beginning on or after 1 January 2013. Therefore, for the fiscal year 2018, the accounting was prepared in accordance with the IAS 19 R.

5.18 Other provisions

The Group's and the Company's item "Other Provisions" is analysed as follows:

Ποσά σε € '	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Provision for unaudited fiscal years	16.305	26.335	8.297	8.297
Provision for disputed transactions (chargebacks)	333.284	150.000	-	-
Total	**349.589**	**176.335**	**8.297**	**8.297**

The total amount of € 16.305 for the Group and € 8.297 respectively for the Company, concerns a provision for unaudited fiscal years. The previous accounting period those amounts were € 26.335 for the Group and € 8.297 for the Company.

This year the subsidiary **VIVA SERVICES S.A** has proceeded with the reversal of the amount € 9.596 for non-audited fiscal year. **VIVA SERVICES S.A** has not recognized for 2018 any provision for unaudited fiscal years from Tax Authorities due to the issuance of Tax Certificate as mentioned in note 5.4.

Moreover, in the current fiscal year the subsidiary **VIVA PAYMENTS S.A** has proceeded with the reversal of the amount € 435 for non-audited fiscal year. **VIVA PAYMENTS S.A** has not recognized for 2018 any provision for unaudited fiscal years from Tax Authorities due to the issuance of Tax Certificate as mentioned in note 5.4.

The amount of € 333.284 relates to other provisions for potential trade risks from the card clearing activity.

Also, **VIVA PAYMENTS S.A** proceed with a formation of new provision for disputes of € 183.284 due to possible disputed transactions.

5.19 Other long term liabilities

The amount of € 122.248 was granted to the parent company by the subsidiary company **VIVA PAYMENTS S.A** as a guarantee for the operating lease of its offices .

5.20 Trade and other payables

The item Trade and other payables is analysed as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Local suppliers	2.309.536	2.084.305	88.255	255.174
Foreign suppliers	207.287	312.415	3.736	20.873
Total	**2.516.823**	**2.396.720**	**91.991**	**276.047**

Trade and other payables mainly comprise amounts outstanding for trade purchases and operating expenses.

The total of the above liabilities is considered to be of short-term maturities.

The fair value of these short-term financial liabilities is assumed to approximate their carrying amount.

Liabilities to suppliers are not interest-bearing accounts and the average credit period received for purchases, is 30 days from invoicing day unless agreed otherwise, in contracts or private agreements.

5.21 Liabilities from taxes

The Group's and the Company's current liabilities from taxes are analysed as follows:

Amounts are expressed in € '	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
VAT liabilities	16.769	2.728	-	-
Payroll income tax withholdings	272.093	230.383	11.475	13.296
Tax liabilities on EU fees	2.481	3.451	788	463
Tax liabilities due to municipal fee 2%	58.293	5.315	40	96
Stamp duty	13.762	13.737	13.759	13.734
Taxes-duties withheld on compensation paid to Contractors	1	449	1	449
Capital concetration tax	199	806	199	806
Dividends tax	-	45.120	-	45.120
Income tax clearance	1.101.521	429.930	10	10
Total	**1.465.119**	**731.919**	**26.272**	**73.975**

5.22 Other short term liabilities

The "Other short-term liabilities" account for the Group and the Company is analysed as follows:

Amounts are expressed in € '	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Preliminary dividends payable	-	255.680	-	255.680
Pending transactions	1.340.437	649.197	-	-
Employee compensation & expenses	284.489	229.706	13.338	13.112
Social security	276.991	260.398	15.109	14.853
Shared expenses payable	8.525	4.218	6.428	3.496
Sundry Debtors	160.814	238.691	16.284	156.294
Liabilities to Viva Payments agent	305.746	273.472	-	-
Other short term liabilities	37.802.934	25.424.212	17.541	284.589
Liabilities to Board Members	3.901	1.967	3.900	1.966
Accrued expenses of the year (payable)	473.376	339.955	97.910	140.156
Total	**40.657.212**	**27.677.496**	**170.511**	**870.146**

5.23 Revenues

The Group's and Company's revenues is analysed as follows:

Amounts are expressed in € '	GROUP 1/1 - 31/12/2018	GROUP 1/1 - 31/12/2017	COMPANY 1/1 - 31/12/2018	COMPANY 1/1 - 31/12/2017
Revenues from sales	644.701	1.605.317	-	-
Revenues from services	5.868.408	5.720.433	834.115	699.166
Acquiring Services	16.420.784	11.715.122	-	-
Issuing Services	451.659	124.723	-	-
Payment Accounts Services	1.631.774	1.324.277	-	-
Total	**25.017.326**	**20.489.872**	**834.115**	**699.166**

5.24 Other operating income

The item “Other operating income” for the company is analysed as follows:

Amounts are expressed in € '	GROUP 1/1 - 31/12/2018	GROUP 1/1 - 31/12/2017	COMPANY 1/1 - 31/12/2018	COMPANY 1/1 - 31/12/2017
Revenues from rentals	9.420	8.292	382.620	381.492
Subsidies	59.800	-	59.800	-
Other operating income	18.769	58.704	31.514	52.712
Total	**87.989**	**66.996**	**473.934**	**434.204**

5.25 Interchange fees and other direct transactional costs

The Group’s and Company's Interchange fees and other direct transactional costs s is analysed as follows:

Amounts are expressed in € '	GROUP 1/1 - 31/12/2018	GROUP 1/1 - 31/12/2017	COMPANY 1/1 - 31/12/2018	COMPANY 1/1 - 31/12/2017
Interchange and scheme fees	6.074.920	4.712.825	-	-
Settlement and clearing mechanism fees	306.534	279.650	-	-
Agent commission fees	423.609	390.377	-	-
Total	**6.805.063**	**5.382.852**	**-**	**-**

5.26 Expenses

The total of the Group’s and the Company's expenses is analysed as follows:

Other cost of sales

Amounts are expressed in € '	GROUP 1/1 - 31/12/2018	GROUP 1/1 - 31/12/2017	COMPANY 1/1 - 31/12/2018	COMPANY 1/1 - 31/12/2017
Hosting	458.185	447.047	-	-
Disputed transactions (chargebacks)	183.284	158.408	-	-
Other cost of sales	11.033	48.965	-	-
Total	**652.501**	**654.420**	**-**	**-**

Changes in inventories

Amounts are expressed in €'	GROUP 1/1 - 31/12/2018	GROUP 1/1 - 31/12/2017	COMPANY 1/1 - 31/12/2018	COMPANY 1/1 - 31/12/2017
Changes in inventories POS	708.063	1.289.946	-	-
Other changes in inventories	781.676	670.663	-	-
Total	**1.489.739**	**1.960.609**	**-**	**-**

General, Selling and Administrative expenses

Amounts are expressed in €'	GROUP 1/1 - 31/12/2018	GROUP 1/1 - 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Legal fees	141.701	137.762	3.456	11.055
Consulting & other fees	458.086	320.317	321.976	238.477
Sales & other commisions	2.286.074	2.444.992	260	42
Customer support fees	930.833	838.461	-	-
Administration fees	228.886	69.448	159.380	12.850
Housing & accomodation expenses	743.828	742.982	435.438	455.334
Travelling expenses	269.828	136.490	33.303	194
Promotion & advertising expenses	827.819	1.003.994	84.871	57.830
Other operating expenses	486.745	394.142	131.038	29.645
Impairements/Provisions	209.639	126.619	6.067	36.590
Total	**6.583.440**	**6.215.204**	**1.175.789**	**842.015**

Payroll and related expenses

The expenses recognized for employee benefits are analysed as follows:

Amounts are expressed in €'	GROUP 1/1 - 31/12/2018	GROUP 1/1 - 31/12/2017	COMPANY 1/1 - 31/12/2018	COMPANY 1/1 - 31/12/2017
Salaries, Wages & benefits	4.615.709	4.118.380	310.854	280.151
Contributions to Social security	1.026.028	1.148.154	74.678	69.261
Retirement and severance payments	66.996	86.832	-	-
Other personnel benefits and expenses	97.198	3.679	5.679	180
Current service cost	88.183	49.479	5.189	4.443
Remunaration expenes	298.778	-	298.778	-
Total	**6.192.892**	**5.406.524**	**695.178**	**354.035**

The Group's and the Company's average number of employees for the time periods presented are as follows:

No of employees	GROUP 31/12/2018	GROUP 31/12/2017	COMPANY 31/12/2018	COMPANY 31/12/2017
Salary - paid employees	162	168	10	10
Wages-paid personnel	-	-		-
Total	**162**	**168**	**10**	**10**

5.27 Financial expenses - income

The analysis of the financial expenses of the Group and the Company is as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Actuarial interest and expense	2.301	2.524	472	450
Interest and expenses of bond loan	73.941	-	73.941	-
Interest and expenses of loans	150.337	38.601	69.303	11.265
Other bank expenses	191.638	113.200	1.745	2.988
Total	**418.217**	**154.325**	**145.462**	**14.703**

The analysis of the financial income of the Group and the Company is as follows:

Amounts are expressed in € '	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Interest from deposits with banks	207.286	203.793	417	27
Dividends from Viva Payments SA	-	-	-	1.000.000
Total	**207.286**	**203.793**	**417**	**1.000.027**

5.28 Income Tax

The tax on the losses before tax of the Group and the Company differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits/losses of the Group and Company as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**	**1/1 - 31/12/2018**	**1/1 - 31/12/2017**
Tax for the year	(1.103.588)	(431.997)	-	-
Total current tax	**(1.103.588)**	**(431.997)**	**-**	**-**
Deferred tax from temporary differences	3.661	33.335	(22.862)	4.959
Deferred tax from carried forward tax losses	217.947	217.739	158.576	90.898
Total deferred tax	**221.608**	**251.075**	**135.714**	**95.857**
Total tax	**(881.980)**	**(180.922)**	**135.714**	**95.857**
Applied tax rate	29%	29%	29%	29%
Profit before tax	**1.999.145**	**182.468**	**(1.043.567)**	**587.321**
Tax based on applied tax rate (1)	**(579.752)**	**(52.916)**	**302.634**	**(170.323)**
Tax amounts to				
Non-deductible expenses	(117.006)	(123.948)	(10.673)	(22.832)
Other differences	(188.005)	(4.059)	(156.248)	289.012
Tax from previous year loss	2.783	-	-	-
Total (2)	**(302.228)**	**(128.007)**	**(166.921)**	**266.180**
Total (1) + (2)	**(881.980)**	**(180.922)**	**135.714**	**95.857**

The deferred income taxes are calculated on the temporary tax differences between the carrying amount and the tax base of the assets and liabilities. The deferred tax for the year 2017 was calculated at the tax rate applicable on 31/12/2017.

The deferred income taxes are calculated on the temporary tax differences between the carrying amount and the tax base of the assets and liabilities. The deferred tax for the year 2018 was calculated using the tax rate applicable on 31/12/2018.

For the fiscal year 2017, the rate used for calculating income tax and deferred tax is 29%, namely the rate set by the current law on 31/12/2017. For the current fiscal, deferred taxes were calculated with 25% rate based on the recently applying law 4579/2018 (article 23) on 31/12/2018.

Audit Tax Certificate:

For the fiscal years 2014, 2015, 2016 and 2017 the Parent Company and its domestic subsidiaries have been audited for their tax liabilities by the legally appointed auditor and have obtained the "Tax Compliance Report", out of which no additional tax liabilities arose regarding tax expense, according to the relevant laws and regimes.

The tax audit for the financial year 2018 is still in progress by the statutory auditors "Mazars S.A." and the relevant tax compliance report is expected to be issued after the publication of the annual financial statements of year 2018. The Group's Management does not expect that significant additional tax liabilities will arise, in excess of these recorded disclosed in the Consolidated Financial Statements.

5.29 Profit/(Loss) per share

The basic Profit/(Loss) per share are calculated by dividing the profit or loss for the fiscal year, minus any dividends, by the weighted average number of ordinary shares during the period.

	GROUP		COMPANY	
Amounts are expressed in € '	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Profit/(Loss) after tax	1.114.079	20.927	(906.665)	684.166
Weighted number of shares	1.000.645	940.000	940.000	940.000
Basic Profit/(Loss) per share (cents /share)	**1,11**	**0,02**	**(0,96)**	**0,73**

The weighted number of shares is as follows:

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Balance of shares at 1/1	940.000	940.000	940.000	940.000
Balance of shares at 31/1	1.000.645	940.000	940.000	940.000
Weighted number of shares	**1.000.645**	**940.000**	**940.000**	**940.000**

Basic and diluted earnings per share for the year ended December 31, 2018, amounted € 1,11.
The company has issued instruments such as convertible bonds (see note 5.16) and options granted to employees (see note 5.30) that could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the periods presented.

5.30 Share Based payment transactions

Current stock option and stock grant plans

The Board of Directors of **Viva Wallet SA** and later the Management Board have set up stock option plans for senior executives and certain employees of the Group. The main features of these plans were as follows at December 31, 2018:

Stock Option Plans Plan no.	Date of the board meeting	Type of plan*	Starting date of exercise period	Expiration date	Price (in euros)	Number of options initially granted	Options cancelled because targets not met
1	31/12/2018	s	31/12/2022	31/12/2022	3.256.775	10.050	-
Total						**10.050**	-

* S = Options to subscribe new shares

Rules governing the stock option plans are as follows:

• To exercise the option, the grantee must generally be an employee or corporate officer of the Group. Vesting is also conditional on the achievement of performance criteria
• The options expire after five years

Outstanding Options and grants

Change in the number of options				
Plan no.	Number of options outstanding at Dec. 31, 2017	Number of options exercised and/or created in 2018	Number of options cancelled or restated in 2018*	Number of options outstanding at Dec. 31, 2018
1	-	10.050	-	10.050
Total	**-**	**10.050**	**-**	**10.050**

* Including cancellations due to targets not being met or options being granted to employees w ithout being exercised.

In respect of subscription vesting conditions for current stock option and performance shares plans, Viva Wallet SA has created 39.500 shares in 2018.

For performance shares to vest, the grantee must be an employee or corporate officer of the Group. In addition, vesting of some performance shares is conditional on the achievement of annual objectives based on financial indicators.

Viva Wallet SA gives its employees the opportunity to become group shareholders thanks to employee share issues

Under the plan, employees may purchase Viva Wallet SA shares at a 54.6% discount with a nominal value of Euro 127.45. Employees must then hold their shares for five years, except in certain cases provided for by law. The share-based payment expense recorded in accordance with IFRS 2 is measured by reference to the fair value of the discount on the locked-up shares.

The total amount of € 298.778 allocated in the Statement of Comprehensive Income (“Payroll and related expenses”) for the current year of 2018.

5.31 Dividends

For the year 2017, the Parent Company received from the subsidiary company **VIVA PAYMENTS SA** a total dividend of € 1.350.00, from which amount of € 350.000 was given in 2016 as an interim dividend and the rest of the amount of €1.000.000 was given as a dividend in 2017.

For the year 2018, the Parent Company will not receive any dividend from the subsidiary company **VIVA PAYMENTS SA.**

6. Contingent assets and liabilities

a) There are no outstanding legal cases against the Group, which are expected to flourish and to compel the Group to compensation.

b) The tax audit for the financial year 2018 is still in progress by the statutory auditors «Mazars S.A.». Upon completion of the tax audit, the Group’s Management does not expect that significant additional tax liabilities will arise, in excess of these recorded and disclosed in the Consolidated Financial Statements.

c) The Group has contingent liabilities in respect of banks, other guarantees and other matters arising in the ordinary course of business, from which it is not anticipated that any material liabilities will arise.No material charges are expected to be arised from contingent liabilities. No additional payments are expected after the date of preparation of these financial statements. Against credit guarantees issued by credit institutions, tangible collaterals have not been granted.

7. Related Party transactions

The following transactions are transactions with related parties as defined by IAS 24, cumulative from the beginning of the fiscal year to the end of it as well as the rest of the Group's assets and liabilities at the end of the current fiscal year, resulting from the specific transactions of related parties.

Transactions and Balances with related party

Transactions in the years 2018 and 2017 and the balances at 31/12/2018 and 31/12/2017 with related parties within the meaning of IAS 24 are as follows:

Amounts are expressed in € '	GROUP		COMPANY	
Receivables	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	-	-	2.368.853	366.744
VIVA SERVICES S.A (Group Subsidiary)	-	-	409.457	11.719
VIVA WALLET LTD (Group Subsidiary)	-	-	100.000	-
ELORUS (Associate)	50.642	385	50.642	385
INDEV (Associate)	829	1	829	1
K. TSAOUSIS & ASSOCIATES	61.239	66.239	-	-
Total	**112.710**	**66.626**	**2.929.781**	**378.850**

Amounts are expressed in € '	GROUP		COMPANY	
Liabilities	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	-	-	122.248	519.182
VIVA SERVICES S.A (Group Subsidiary)	-	-	-	47.759
INDEV (Associate)	28.258	-	28.258	-
Total	**28.258**	**-**	**150.506**	**566.941**

Amounts are expressed in € '	GROUP		COMPANY	
Sales	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
VIVA PAYMENTS S.A (Group Subsidiary)	-	-	354.000	354.000
VIVA SERVICES S.A (Group Subsidiary)	-	-	319.200	19.200
VIVA WALLET LTD (Group Subsidiary)	-	-	100.000	-
ELORUS (Associate)	620	992	620	992
INDEV (Associate)	9.600	4.000	9.600	4.000
Total	**10.220**	**4.992**	**783.420**	**378.192**

Amounts are expressed in € '	GROUP		COMPANY	
Purchases - Cost of Sales	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
INDEV (Associate)	321.216	-	321.216	-
Total	**321.216**	**-**	**321.216**	**-**

Amounts are expressed in € '	GROUP		COMPANY	
Transactions and remuneration of members of the Management and directors	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Salaries and other compensation to key management personnel	1.681.048	1.030.637	39.088	14.722
Total	**1.681.048**	**1.030.637**	**39.088**	**14.722**

Amounts are expressed in € '	GROUP		COMPANY	
Receivables from members of the Management and directors	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Other receivables	20.093	135.971	-	275
Total	**20.093**	**135.971**	**-**	**275**

Amounts are expressed in € '	GROUP		COMPANY	
Liabilities to members of the Management and directors	1/1 - 31/12/2018	1/1 - 31/12/2017	1/1 - 31/12/2018	1/1 - 31/12/2017
Salaries and other compensation payable	149.111	3.674	5.304	1.966
Total	**149.111**	**3.674**	**5.304**	**1.966**

Transactions between the Company and its subsidiaries have been eliminated on consolidation.

No provision has been made for doubtful debts in respect of the amounts due from related parties.

8. Capital Management policies and procedures

The Group manages its capital to ensure that will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Group monitors the capital using the Gearing ratio of net total liabilities to equity. The net debt includes interest-bearing borrowings less cash and cash equivalents.

The Board of Directors monitors the capital structure on a frequent basis and takes into account the associated cost of capital and risks in order to determine the follow up strategy.

	GROUP		COMPANY	
Amounts are expressed in € '	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Total net liabilities	8.596.336	13.373.129	2.457.632	1.408.797
Equity attributable to company's shareholders	13.495.711	7.381.469	11.868.791	7.539.541
Total net liabilities / Equity	**0,64**	**1,81**	**0,21**	**0,19**

9. Risk management policies

The Group's activities create a variety of financial risks, including foreign exchange risks and interest rate, credit and liquidity risks. The overall risk management program of Company's movements focuses in financial markets fluctuations and intends to minimize potential adverse effects of these fluctuations on the financial performance of the Group.

The Group does not perform speculative transactions or transactions that are not related to its commercial, investing or borrowing activities.

The financial instruments, which use the Group, mainly consisted of deposits in banks, bank's accounts, accounts receivables and payables and long term borrowings.

9.1 Foreign exchange risk

Group's financial situation and cash flows from operating activities are not sensitive to fluctuations in exchange rates as its transactions are in euro.

9.2 Interest rate risk

The operation results and cash flows from operating activities of the Group are not sensitive to fluctuations in interests rates as well as the Group has no floating rate contracts.

9.3 Credit risk

The Group has no significant credit risk. Any remaining credit risk relates to cases of customers' failure to fulfill their transactional obligations.

The transactions of the Group's customers are developed after their credit rating and reliability check, to avoid late payment problems and therefore bad debts.

Potential credit risk may exists in cash and cash equivalents and investments. In these cases, the risk may arise from failure of the counterparty to meet its obligations to the Group.

To minimize this credit risk, the Group deals only with recognized financial institutions of high credit rating.

The Group's maximum exposure to credit risk is as follows:

	GROUP		COMPANY	
Amounts are expressed in € '	**31/12/2018**	**31/12/2017**	**31/12/2018**	**31/12/2017**
Other non-current assets	1.389.644	600.216	89.764	88.764
Customers and other trade receivables	1.479.928	1.948.636	583.465	130.311
Advances to suppliers	2.740.361	1.443.938	98.576	20.351
Receivables from taxes	536.534	701.766	75.089	109.407
Other current receivables	4.251.082	7.040.904	45.612	801.752
Cash and cash equivalents	42.210.573	21.732.591	2.805.952	114.114
Total	**52.608.122**	**33.468.052**	**3.698.459**	**1.264.699**

9.4 Liquidity risk

The prudent liquidity management is achieved by the existence of an appropriate combination of cash and bank credit.

The Group manages the risks which may arise from lack of sufficient liquidity, by ensuring that there are always secured bank credits to use.

The following table summarizes the maturity dates of the financial liabilities of the Group, which are presented in the balance sheet, at discounted prices, based on payments resulting from the relevant loan agreements or the agreements with the suppliers.

Financial liabilities as at 31/12/2018	up to 1 year	1 year to 5 years	Over 5 years	Total
Suppliers and other trade liabilities	2.516.823	-	-	2.516.823
Other short term liabilities	42.122.332	-	-	42.122.332
Loans	250.000	5.311.866	-	5.561.866
Total	**44.889.155**	**5.311.866**	**-**	**50.201.021**

Financial liabilities as at 31/12/2017	up to 1 year	1 year to 5 years	Over 5 years	Total
Suppliers and other trade liabilities	2.396.720	-	-	2.396.720
Other short term liabilities	28.409.415	-	-	28.409.415
Loans	2.601.719	1.368.062	-	3.969.781
Total	**33.407.854**	**1.368.062**	**-**	**34.775.916**

Financial liabilities as at 31/12/2018	up to 1 year	1 year to 5 years	Over 5 years	Total
Suppliers and other trade liabilities	91.991	-	-	91.991
Other short term liabilities	196.783	-	-	196.783
Other long term liabilities	122.248	-	-	122.248
Total	**411.022**	**-**	**-**	**411.022**

Financial liabilities as at 31/12/2017	up to 1 year	1 year to 5 years	Over 5 years	Total
Suppliers and other trade liabilities	276.047	-	-	276.047
Other short term liabilities	944.121	-	-	944.121
Loans	140.707	-	-	140.707
Other long term liabilities	122.248	-	-	122.248
Total	**1.483.123**	**-**	**-**	**1.483.123**

9.5 Fair Value Measurement

The Group adopted IFRS 13 "Fair Value Measurement". The financial assets presented in the Consolidated statement of financial position and measured at fair value, are grouped by a three-level fair value hierarchy. These three levels depend on how their significant measurement parameters are determined.
As a result, these three levels are as follows:

- **Level 1**: Trading prices in an active market
- **Level 2**: Values from valuation models based on observable market data except for active market prices included in Level 1
- **Level 3**: Prices from valuation models that are not based on observable market data.

The following table presents the three levels of Categorization of Group financial assets measured at fair value at 31/12/2016 and 31/12/2017. During the year 2017, there was no transfer between Levels 1 and 2.

In addition, the management estimated that cash and short-term deposits, customers, suppliers, bank loans and other short-term receivables are approaching their book value, mainly due to short-term maturities.

Financial Assets

	31/12/2018	Level 1	Level 2	Level 3
Financial assets measured at a fair value through profit or loss				
"- ASE shares	-	-	-	-
Financial assets measured at fair value of the investment portofolio				
"- Participation in non-listed companies	11.793.295	-	-	11.793.295
Financial assets available for share				
"- ASE shares		-	-	-
Total	**11.793.295**	**-**	**-**	**11.793.295**

	31/12/2017	Level 1	Level 2	Level 3
Financial assets measured at a fair value through profit or loss				
"- ASE shares	-	-	-	-
Financial assets measured at fair value of the investment portofolio				
"- Participation in non-listed companies	6.034.330	-	-	6.034.330
Financial assets available for share				
"- ASE shares		-	-	-
Total	**6.034.330**	**-**	**-**	**6.034.330**

10. Events after the reporting period

No significant subsequent events occur after December 31, 2018 which should either be disclosed or differentiate the items of the published financial statements.

Marousi, 08/03/2019

The President.&Chief Executive Officer	The Vice President	The Accountant
Haralampos Karonis	**Gerasimos Antypas**	**Dimitrios Kontoullis**
ID AM 207833	**ID X 188444**	**ID AB 597533 A.M.A 100209 A CLASS**

The above Notes to the Consolidated Financial Statements (pages 20 - 68) are those mentioned in the auditor's report dates at 08/03/2019.

Palaio Faliro, 08/03/2019
The Certified Auditor

MAZARS Certified Public Accountants
Business Advisors SA
14, Amfitheas Ave. -175 64 Palaio Faliro
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Konstantinos Makris
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