

WISE WOLVES FINANCE LTD
REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2017

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For the year ended 31 December 2017

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WISE WOLVES FINANCE LTD**OFFICERS AND PROFESSIONAL ADVISORS**

Board of Directors	Anna Stopnevich (Cypriot) Sabine Smite (Latvian) (appointed on 17/05/2017 and resigned on 31/10/2017) Yevheniya Savchenko Paschalides (Cypriot) (appointed on 25/09/2017) Svitlana Morozyk (Cypriot) (appointed on 25/09/2017) Tatiana Ivanova (Greek) (appointed on 1/11/2017)
Secretary	Wise Wolves Secretary Ltd (appointed 25/9/2017) D2Direct Management Ltd (resigned on 28/09/2017)
Independent Auditors	KPMG Limited
Legal Advisors	Korelis & Co. LLC
Bankers	Eurobank Cyprus Ltd RCB Bank Ltd
Registered Office	30B, Gladstonos 3041, Limassol Cyprus
Registration number	HE361580

WISE WOLVES FINANCE LTD**MANAGEMENT REPORT**

The Board of Directors of **Wise Wolves Finance Ltd** (the "Company") presents to the members its Management Report together with the audited financial statements of the Company for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND NATURE OF OPERATIONS OF THE COMPANY

On 25 September 2017, the Company acquired a license (license number: 337/17) from the Cyprus Securities and Exchange Commission (CySEC) in order to perform the activities of an investment firm. The Company is licensed to offer the investment services of reception and transmission of orders in relation to one or more financial instruments, execution of orders on behalf of clients and investment advice.

The Company is also licensed to offer the ancillary services of safekeeping and administration of financial instruments, including custodianship and related services, granting credits or loans to one or more financial instruments, advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings, foreign exchange, investment research and financial.

FINANCIAL RESULTS

The Company's financial results for the year ended 31 December 2017 are set out on page 7 to the financial statements. The net loss for the year attributable to the shareholders of the Company amounted to €175.014 (2016: €4.204 profit).

EXAMINATION OF THE DEVELOPMENT, POSITION AND PERFORMANCE OF THE ACTIVITIES OF THE COMPANY

The current financial position as presented in the financial statements is not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

DIVIDENDS

The Board of Directors does not recommend the payment of a dividend.

MAIN RISKS AND UNCERTAINTIES

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 15 to the financial statements.

FUTURE DEVELOPMENTS

The Board of Directors does not expect major changes in the principal activities of the Company in the foreseeable future. The Company is expected to commence the activities of an investment company within 2018.

WISE WOLVES FINANCE LTD
MANAGEMENT REPORT *(continued)*

SHARE CAPITAL**Authorised capital**

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 25 October 2016 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

On 16 December 2016, the Company issued additional 1.000 shares of €1 each at a share premium of €198 each. On 21 April 2017, the Company issued additional 300 shares of €1 each at a share premium of €999 each.

On 13 February 2018, the Company issued additional 250 shares of €1 each to the sole shareholder, at a share premium of €999 each (note 16).

BRANCHES

During the year ended 31 December 2017 the Company did not operate any branches.

BOARD OF DIRECTORS

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

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

EVENTS AFTER THE REPORTING PERIOD

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

RELATED PARTY TRANSACTIONS

Disclosed in note 14 to the financial statements.

INDEPENDENT AUDITORS

The independent auditors of the Company, KPMG Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors,

Wise Wolves Secretary Ltd
Secretary



Limassol, 2 April 2018



KPMG Limited
Chartered Accountants
11, June 16th 1943 Street, 3022 Limassol, Cyprus
P.O.Box 50161, 3601 Limassol, Cyprus
T: +357 25 869000, F: +357 25 363842

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
WISE WOLVES FINANCE LTD

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Wise Wolves Finance Ltd** (the "Company"), which are presented on pages 7 to 23 and comprise the statement of financial position as at 31 December 2017, and the statements of comprehensive income, changes in equity and 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 financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "Companies Law, Cap.113").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") and the ethical requirements in Cyprus that are relevant to our audit of the financial statements, 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.

Board Members

Mr. George A.K. Constantinou, Mr. Lefteris P.M. Digenis, Mr. Elias G.D. Antonides,
Mr. Ioannis M.A. Latsis, Mr. Athanasios M.M. Athanasios, Mr. George E.T. Athanasiadis,
Mr. Yannis M.T. Mouton, Mr. Pambos D.G. Mouton, Mr. Panagiotis K.A. Papadimitriou,
Mr. Konstantinos G. Triantafyllidis, Mr. Charalambos D.T. Avraamides, Mr. Theodoros
M.N. Sotgiannopoulos, Mr. Konstantinos P. Sakas, Mr. Kostas G. Kostas, Mr. Yannis P.P. Iosif,
Mr. Ioannis D.D. Anastasiadis, Mr. Theodoros D.A. Karamanolis, Mr. Michael
G.D. Angelos, Mr. Ioannis G.S. Prodromou, Mr. Athanasios D.G. Giamprini, Mr. Theodoros
G.A. Kostas, Mr. Kostas P.P. Kostas

KPMG Limited is a legally separate entity registered in Cyprus under legislation
numbered 113(I) and is a registered office of 181 European Union Member States. Cyprus

Directors

Mr. George A.K. Constantinou
Mr. Lefteris P.M. Digenis
Mr. Elias G.D. Antonides

Company

Mr. George A.K. Constantinou
Mr. Lefteris P.M. Digenis
Mr. Elias G.D. Antonides

Company

Mr. George A.K. Constantinou
Mr. Lefteris P.M. Digenis
Mr. Elias G.D. Antonides

Company Secretary

Mr. George A.K. Constantinou
Mr. Lefteris P.M. Digenis
Mr. Elias G.D. Antonides

Company

Mr. George A.K. Constantinou
Mr. Lefteris P.M. Digenis
Mr. Elias G.D. Antonides

Company

Mr. George A.K. Constantinou
Mr. Lefteris P.M. Digenis
Mr. Elias G.D. Antonides

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap.113).

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Our report in this regard is presented in the *"Report on other legal requirements"* section.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS-EU and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors 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, the Board of Directors 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 there is an intention to either liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the Board of Directors.

Auditors' responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' 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 a true and fair view.

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

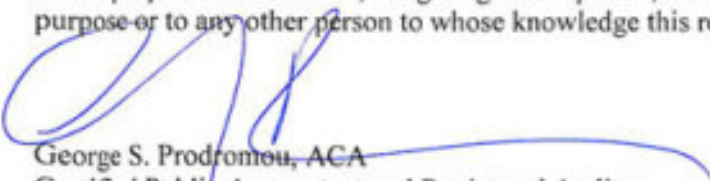
Report on other legal requirements

Pursuant to the additional requirements of the Auditors' Law of 2017, L.53(I)/2017, as amended from time to time ("Law 53(I)/2017"), we report the following:

- In our opinion, the Management Report on pages 2 to 3, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In the light of the knowledge and understanding of the enterprise and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of Law 53(I)/2017, as amended from time to time and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



George S. Prodromou, ACA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
11, 16th June 1943 Street
3022, Limassol
Cyprus

2 April 2018

WISE WOLVES FINANCE LTD
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

	Note	01/01/2017- 31/12/2017 €	25/10/2016- 31/12/2016 €
Revenue	4	-	20.000
Administrative expenses	5	(172.624)	(13.214)
Incorporation expenses		-	(1.640)
Operating (loss)/profit		<u>(172.624)</u>	<u>5.146</u>
Finance expenses	6	<u>(2.390)</u>	<u>(10)</u>
(Loss)/profit before tax		(175.014)	5.136
Taxation	7	<u>-</u>	<u>(932)</u>
(Loss)/profit for the year/period		<u>(175.014)</u>	<u>4.204</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (expense)/income for the year/period		<u>(175.014)</u>	<u>4.204</u>

The notes on pages 11 to 23 are an integral part of these financial statements.

WISE WOLVES FINANCE LTD
STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	2017 €	2016 €
Assets			
Non-current assets			
Intangible assets	8	<u>7.841</u>	<u>-</u>
Total non-current assets		<u>7.841</u>	<u>-</u>
Current assets			
Trade and other receivables	9	44.561	750
Refundable tax	13	500	-
Cash and cash equivalents	10	<u>295.115</u>	<u>207.783</u>
Total current assets		<u>340.176</u>	<u>208.533</u>
Total assets		<u>348.017</u>	<u>208.533</u>
Equity			
Share capital	11	2.300	2.000
Share premium		497.700	198.000
(Deficit)/Reserves		<u>(170.810)</u>	<u>4.204</u>
Total equity		<u>329.190</u>	<u>204.204</u>
Liabilities			
Current liabilities			
Trade and other payables	12	18.827	3.397
Tax liability	13	<u>-</u>	<u>932</u>
Total current liabilities		<u>18.827</u>	<u>4.329</u>
Total equity and liabilities		<u>348.017</u>	<u>208.533</u>

On 2 April 2018 the Board of Directors of Wise Wolves Finance Ltd approved and authorised these financial statements for issue.

.....
 Anna Stopnevich
 Director

.....
 Tatiana Ivanova
 Director

The notes on pages 11 to 23 are an integral part of these financial statements.

WISE WOLVES FINANCE LTD

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Note	Share capital €	Share premium €	Retained earnings €	Total €
Comprehensive income					
Profit for the period		-	-	4.204	4.204
Transactions with owners					
Issue of share capital	11	<u>2.000</u>	<u>198.000</u>	-	<u>200.000</u>
Balance at 31 December 2016		<u>2.000</u>	<u>198.000</u>	<u>4.204</u>	<u>204.204</u>
Balance at 1 January 2017		2.000	198.000	4.204	204.204
Comprehensive income					
Loss for the year		-	-	(175.014)	(175.014)
Transactions with owners					
Issue of share capital	11	<u>300</u>	<u>299.700</u>	-	<u>300.000</u>
Balance at 31 December 2017		<u>2.300</u>	<u>497.700</u>	<u>(170.810)</u>	<u>329.190</u>

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the ultimate shareholders at the end of the period of two years from the end of the year of assessment to which the profits refer are both Cyprus tax resident and Cyprus domiciled. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the shareholders.

The notes on pages 11 to 23 are an integral part of these financial statements.

WISE WOLVES FINANCE LTD

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	01/01/2017- 31/12/2017 €	25/10/2016- 31/12/2016 €
Cash flows from operating activities		
(Loss)/profit for the year/period	(175.014)	5.136
<i>Adjustments for:</i>		
Unrealised exchange loss	63	-
Amortisation of computer software	290	-
Interest expense	618	-
Cash (used in)/generated from operations before working capital changes	(174.043)	5.136
Increase in trade and other receivables	(43.811)	(750)
Increase in bank deposits	(128.850)	-
Increase in trade and other payables	15.430	3.397
Cash (used in)/generated from operations	(331.274)	7.783
Tax paid	(1.432)	-
Net cash (used in)/generated from operating activities	(332.706)	7.783
Cash flows from investing activities		
Payment for acquisition of intangible assets	(8.421)	-
Proceeds from disposal of intangible assets	290	-
Net cash used in investing activities	(8.131)	-
Cash flows from financing activities		
Proceeds from issue of share capital	300.000	200.000
Unrealised exchange loss	(63)	-
Interest paid	(618)	-
Net cash generated from financing activities	299.319	200.000
Net (decrease)/increase in cash and cash equivalents	(41.518)	207.783
Cash and cash equivalents at beginning of the year/period	207.783	-
Cash and cash equivalents at end of the year/period	166.265	207.783

The notes on pages 11 to 23 are an integral part of these financial statements.

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Wise Wolves Finance Ltd (the "Company") was incorporated in Cyprus on 25 October 2016 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 30B, Gladstonos, 3041, Limassol, Cyprus.

On 25 September 2017, the Company acquired a license (license number: 337/17) from the Cyprus Securities and Exchange Commission (CySEC) in order to perform the activities of an investment firm. The Company is licensed to offer the investment services of reception and transmission of orders in relation to one or more financial instruments, execution of orders on behalf of clients and investment advice.

The Company is also licensed to offer the ancillary services of safekeeping and administration of financial instruments, including custodianship and related services, granting credits or loans to one or more financial instruments, advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings, foreign exchange, investment research and financial.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention.

(c) Adoption of new and revised International Financial Reporting Standards and Interpretations as adopted by the European Union (EU)

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

At the date of approval of these financial statements, Standards, Revised Standards and Interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these financial reporting standards in future periods will not have a significant effect on the financial statements of the Company.

(d) Use of estimates and judgments

The preparation of financial statements in accordance with IFRSs requires from Management the exercise of judgment, to make estimates and assumptions that influence the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

(e) Functional and presentation currency

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

WISE WOLVES FINANCE LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all the years presented in these financial statements.

Revenue recognition**• *Rendering of services***

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Finance expenses

Finance expenses include interest expense and bank charges. Interest expense is recognised to profit or loss using the effective interest method. Bank charges are recognised in profit or loss in the period which incurred.

Foreign currency translation**(i) *Functional currency***

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) *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 the reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined.

Tax

Tax liabilities and assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date. Current tax includes any adjustments to tax payable in respect of previous periods.

Intangible assets**(i) *Computer software***

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, estimated at ten years. Amortisation commences when the computer software is available for use.

WISE WOLVES FINANCE LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**Intangible assets (continued)**

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

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

(i) Trade and other receivables

Trade and other receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables are stated after deducting the appropriate allowances for any impairment.

(ii) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and cash with brokers.

(iii) Trade and other payables

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

Derecognition of financial assets and liabilities***Financial assets***

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

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

Any interest in such derecognized financial assets that is created or retained by the Company is recognised as a separate asset or liability.

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*Derecognition of financial assets and liabilities (continued)*Financial liabilities*

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

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

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has the legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

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.

Provisions

Provisions are recognised when the Company 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 a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

4. REVENUE

	01/01/2017- 31/12/2017	25/10/2016- 31/12/2016
	€	€
Rendering of services (note 14 (ii))	-	20.000
	-	20.000

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

5. ADMINISTRATIVE EXPENSES

	01/01/2017- 31/12/2017	25/10/2016- 31/12/2016
	€	€
Directors' fees (note 14(i))	3.167	-
Salaries and contributions	123.270	-
Other staff costs	1.806	-
Rent (Note 14(iii))	12.000	-
Professional licence fee	710	8.000
Registrar annual fee	350	-
Insurance	221	-
Telephone and postage	275	-
Subscriptions	9.279	-
Computer supplies and maintenance	1.322	-
Independent auditors' remuneration	3.570	2.142
Legal fees	5.540	-
CySEC and registrar fees	3.190	-
Other professional fees	6.748	3.072
Travelling	754	-
Advertising expenses	132	-
Amortisation of computer software	290	-
	<u>172.624</u>	<u>13.214</u>

6. FINANCE EXPENSES

	01/01/2017- 31/12/2017	25/10/2016- 31/12/2016
	€	€
Net foreign exchange losses	217	-
Brokers' interest and charges	618	-
Bank charges	<u>1.555</u>	<u>10</u>
<i>Finance expenses</i>	<u>2.390</u>	<u>10</u>

7. TAXATION

	01/01/2017- 31/12/2017	25/10/2016- 31/12/2016
	€	€
Corporation tax	<u>-</u>	<u>932</u>
Charge for the year/period	<u>-</u>	<u>932</u>

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

7. TAXATION (continued)

Reconciliation of tax based on the taxable income and tax based on accounting losses:

	01/01/2017- 31/12/2017 €	25/10/2016- 31/12/2016 €
Accounting (loss)/profit before tax	(175.014)	5.136
Tax calculated at the applicable tax rates	(21.877)	642
Tax effect of expenses not deductible for tax purposes	108	205
Tax effect of allowances and income not subject to tax	(339)	-
Tax effect of loss for the year/period	22.108	-
10% additional charge	-	85
Tax as per statement of comprehensive income - charge	-	932

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

As at 31 December 2017 year, the balance of tax losses which is available for offset against future taxable profits amounts to €176.866 for which no deferred tax asset is recognised in the statement of financial position.

8. INTANGIBLE ASSETS

	Computer software €
Cost	
Additions	8.131
Balance at 31 December 2017	8.131
Amortisation	
Amortisation for the year	290
Balance at 31 December 2017	290
Carrying amounts	
Balance at 31 December 2017	7.841

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 December 2017**9. TRADE AND OTHER RECEIVABLES**

	2017 €	2016 €
Deposits and prepayments	1.846	750
ICF Deposit	<u>42.715</u>	<u>-</u>
	<u>44.561</u>	<u>750</u>

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 15 to the financial statements.

10. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2017 €	2016 €
Cash with brokers	12.729	-
Cash at bank	153.536	207.783
Bank deposits	<u>128.850</u>	<u>-</u>
	<u>295.115</u>	<u>207.783</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 15 to the financial statements.

11. SHARE CAPITAL

	2017 Number of shares	2017 €	2016 Number of shares	2016 €
Authorised				
Ordinary shares of €1 each	<u>5.000</u>	<u>5.000</u>	<u>5.000</u>	<u>5.000</u>
Issued and fully paid				
Balance at 1 January/25 October 2016	2.000	2.000	-	-
Issue of shares	<u>300</u>	<u>300</u>	<u>2.000</u>	<u>2.000</u>
Balance at 31 December	<u>2.300</u>	<u>2.300</u>	<u>2.000</u>	<u>2.000</u>

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTSFor the year ended 31 December 2017**11. SHARE CAPITAL** *(continued)***Authorised capital**

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 25 October 2016 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

On 16 December 2016, the Company issued additional 1.000 shares of €1 each at a share premium of €198 each. On 21 April 2017, the Company issued additional 300 shares of €1 each at a share premium of €999 each.

On 13 February 2018, the Company issued additional 250 shares of €1 each to the sole shareholder, at a share premium of €999 each (note 16).

12. TRADE AND OTHER PAYABLES

	2017 €	2016 €
Social insurance and other taxes	7.925	-
Other creditors	1.450	-
Accruals	3.572	2.142
Payables to related companies (note 14 (iv))	3.778	255
Shareholders' current accounts - credit balances (note 14 (v))	<u>2.102</u>	<u>1.000</u>
	<u>18.827</u>	<u>3.397</u>

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

The exposure of the Company to liquidity risk in relation to financial instruments is reported in note 15 to the financial statements.

13. (REFUNDABLE TAX) / TAX LIABILITY

	2017 €	2016 €
Corporation tax	<u>(500)</u>	<u>932</u>
	<u>(500)</u>	<u>93</u>

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

14. RELATED PARTY TRANSACTIONS

Since 14 December 2017, the Company is controlled by Wise Wolves Group Ltd, incorporated in Cyprus, which owns 100% of the Company's shares.

The transactions and balances with related parties are as follows:

(i) Directors' remuneration

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

	01/01/2017- 31/12/2017 €	25/10/2016- 31/12/2016 €
Directors' fees (note 5)	3.167	-
Directors' emoluments	49.590	-
	<u>52.757</u>	<u>-</u>

(ii) Rendering of services (note 4)

	01/01/2017- 31/12/2017 €	25/10/2016- 31/12/2016 €
Treasurer Main Capital Ltd	-	20.000
	<u>-</u>	<u>20.000</u>

(iii) Rent expense (Note 5)

	01/01/2017- 31/12/2017 €	25/10/2016- 31/12/2016 €
Wise Wolves Capital (EU) Ltd	12.000	-
	<u>12.000</u>	<u>-</u>

(iv) Payables to related companies (note 12)

	2017 €	2016 €
<u>Name</u>		
Wise Wolves Capital (EU) Ltd	3.778	255
	<u>3.778</u>	<u>255</u>

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

14. RELATED PARTY TRANSACTIONS *(continued)*

(v) Shareholders' current accounts - credit balances

	2017 €	2016 €
Year end balance	<u>2,102</u>	<u>1,000</u>
	<u>2,102</u>	<u>1,000</u>

The shareholders' current accounts are interest free and have no specified repayment date.

15. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Financial risk factors

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The exposure to the above risk is monitored by the Board of Directors as part of its daily management of the business.

(i) Credit risk

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

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

	2017 €	2016 €
Receivables	44,561	750
Cash and cash equivalents	<u>295,115</u>	<u>207,783</u>
	<u>339,676</u>	<u>208,533</u>

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

15. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Cash and cash equivalents

The table below shows an analysis of the Company's bank deposits, cash at bank and cash with brokers by the credit rating of the institution in which they are held:

		2017 €	2016 €
<u>Bank group based on credit ratings by Moody's</u>	<u>No of banks</u>		
B1	1	500	-
Without credit rating	2	294,615	207,783
	3	295,115	207,783

The Company held cash and cash equivalents of €295.115 at 31 December 2017 (2016: €207.783). The cash and cash equivalents are held with bank and financial institution counterparties, which are rated B1 and without credit rating, based on Moody's ratings.

(ii) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets.

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

31 December 2017	Carrying amounts €	Contractual cash flows €	Within 12 months €	Between 1-5 years €	Over than 5 years €
Trade and other payables	12,947	12,947	12,947	-	-
Payables to related parties	5,880	5,880	5,880	-	-
	18,827	18,827	18,827	-	-
31 December 2016	Carrying amounts €	Contractual cash flows €	Within 12 months €	Between 1-5 years €	More than 5 years €
Trade and other payables	2,142	2,142	2,142	-	-
Payables to related parties	1,255	1,255	1,255	-	-
	3,397	3,397	3,397	-	-

WISE WOLVES FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

15. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(continued)**(iii) Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the U.S. Dollar and the Swiss Franc. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Company's exposure to foreign currency risk was as follows:

31 December 2017	United States Dollars €	Swiss Francs €
Assets		
Deposits and prepayments	1,846	-
Cash with brokers	(251)	-
	<u>1,595</u>	<u>-</u>
Liabilities		
Other creditors	-	(132)
	<u>-</u>	<u>(132)</u>
Net exposure	<u>1,595</u>	<u>(132)</u>

There was no exposure in currency risk as at 31 December 2016.

WISE WOLVES FINANCE LTD**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2017

15. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT *(continued)***Capital risk management**

The Company's objectives when managing capital are (i) to comply with the capital requirements set by the regulator (CySEC), (ii) to safeguard the Company's ability to continue as a going concern and (iii) to maintain a strong capital base to support the development of the business. The Company's policy of capital management is designed to maintain the capital base sufficient to keep the confidence of customers, creditors, other market participants and to secure the future development of the Company.

Capital adequacy and the use of the regulatory capital are monitored by the Company's management at least on a monthly basis. The Company submits the relevant capital adequacy forms to its Regulator on a quarterly basis. The Company maintains only Common Equity Tier 1 capital as eligible own funds. The risk weighted assets are measured by means of a hierarchy of risk weights classified according to their nature and reflecting an estimate of market, operational and credit risks, taking into account any eligible collateral or guarantee.

The capital adequacy ratio for the year ended 31 December 2017 is 106,13% which is above the minimum of 8% required by CySEC.

16. EVENTS AFTER THE REPORTING PERIOD

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements, except for the fact that on 13 February 2018, the Company issued additional 250 shares of €1 each to the sole shareholder, at a share premium of €999 each (note 11).