VELTYCO
GROUP PLC

ANNUAL REPORT & ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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Company Information

Directors	Gilles Ohana (appointed 20 November 2017) Melissa Blau (appointed 26 March 2018) Marcel Noordeloos Mark Rosman Rainer Lauffs (appointed 26 March 2018)	Non-Executive Chairman Chief Executive Officer Chief Financial Officer Non-Executive Director Chief Operating Officer
Registered Office	33-37 Athol Street Douglas Isle of Man IM1 1LB Tel. + 44 (0) 1624 647 979	
Nominated and Financial Adviser	Strand Hanson Ltd 26 Mount Row London W1K 3SQ	
Brokers	Whitman Howard Ltd Connaught House, 1st floor London W1K 3NB	
Auditors	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY	
Registered Agent	Estera Trust (Isle of Man) Limited 33-37 Athol Street Douglas Isle of Man IM1 1LB	
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen B63 3DA	
Registered number	9029V	
Company Website	www.veltyco.com	

STRATEGIC REPORT

I am pleased to present our Annual Report for the financial year ended 31 December 2017.

Financial and operational highlights

Revenues:	+165% to €16.2 million (€6.1 million)
Operating EBITDA:	+260% to €8.1 million (€2.2 million)
Operating profit:	+361% to €7.5 million (€1.6 million)
Maiden dividend proposed:	0.25p per share (2016: nil)

Operational review

The Board is delighted with the operational progress achieved during 2017 and the significant uplift in its operating results. The growth in 2017 has been delivered from both our core marketing and promotion activities for third parties but also from our own gaming brands.

During 2017, Veltyco Group plc (the "Group", the "Company" or "Veltyco") achieved significant growth in both revenues and profitability, through the Company's continued focus on the marketing and promotion for its partners in sports betting, casinos, poker games, lottery and online financial trading. Revenues increased 165% to €16.2 million (2016: €6.1 million), driven by the significant increase in the Group's commissions from its marketing activities, together with a full year's contribution from marketing activities for Zoomtraderglobal. In addition, the Company's own brands had a positive impact on revenues, in particular Bet90, the Company's own sportsbook which commenced operations in July 2017.

The majority of our revenue continues to be derived from online marketing activities but we are also seeking to increase the level of operational control we have by owning our own brands. Given the Company's expertise in marketing, the Board believes that the continued expansion of its own brand activities, following the acquisitions of 51% interests in each of Bet90 and T4U during 2017, and the recently announced intention to launch a new regulated brand active in the online trading sector later in 2018, will be a key driver for the Company's future growth.

As previously announced, the Company is in discussions regarding the potential acquisition of Ruleo Alpenland GmbH, a company that operates the BTTY branded sportsbook in Germany and Austria. Following completion of due diligence and recent developments regarding the German license program that could impact on BTTY going forward, the Board is currently considering its options regarding the acquisition and will update the market shortly.

Subsequent to the year end, the sportsbook operator, for whom the Group undertakes marketing activities, informed the Company that it would not be automatically extending its existing marketing agreement and that it would therefore end at the end of April 2018. The Company is pleased to confirm that following discussions between the parties, the Group and the sportsbook operator have agreed, subject to documentation, to further extend the existing agreement as well as to potentially expand the marketing relationship to include additional territories. In light of this and the upcoming FIFA World Cup in Russia starting in mid-June 2018, the Group continues to provide marketing activities to the sportsbook operator. The Directors believe that the proposed continuation of the existing marketing agreement and potential expansion into new territories, demonstrates the reach of the Group's marketing activities.

Another exciting venture which Veltyco has entered is that of eSports.com – the eSports market (multiplayer and team video game competitions) is a rapidly expanding market and is attracting increasing interest from many large companies and media brands. To leverage our client base and address this market we recently acquired a minority stake in Germany based www.esports.com, which is an online portal for the eSports industry providing news, scores and statistics. This is an exciting opportunity for Veltyco to ultimately provide betting odds on games, through Bet90, as the eSports market develops.

Innovative techniques are at the heart of the Company's operations and was the basis for the acquisition of a 51% interest in Varkasso in January 2018, a Company which has the exclusive rights to the use 8crypt, a crypto e-wallet service provider based on blockchain technology. The Board believes that the strategic investment will, in the future, allow Veltyco to provide a solution that enables customers to connect their own individual crypto wallets to traditional currencies as well as crypto currencies.

Financial review

2017 was a year of significant growth for Veltyco. After the successful completion of the reverse merger in June 2016, Veltyco has expanded and diversified its operations, both through the addition of marketing partners and acquisitions, in particular Bet90.

Revenues increased significantly to €16.2 million (2016: €6.1 million), driven by the strong performance across our core marketing and promotion activities for third parties together with a growing contribution from our own gaming brands as detailed above. The total profit for the year amounted to €6.8 million (2016: €20.6 thousand). The results for 2016 were significantly impacted by the expenses relating to the reverse merger and associated due diligence processes of in aggregate €1.5 million. The operating EBITDA for the year ended 31 December 2017 was €8.1 million (2016: €2.2 million pre any costs associated with the reverse merger).

Details of the operating EBITDA are as follows:

	2017	**2016**
	€	€
Operating profit	7,482,129	1,621,946
Depreciation and amortisation expense	380,173	87,169
Impairment charge	-	275,011
Reverse merger listing expense	-	123,850
Share based payment (included in salary expense)	239,084	140,940
Operating EBITDA	**8,103,386**	**2,248,916**

Further to the acquisition of 51% of the Bet90 operations via Quasar Holdings Ltd (for a total cash consideration of €2.0 million), the Company also acquired 51% of T4U Marketing Ltd (for a total cash consideration of €0.5 million), a company that operates the online sports-betting forum sites of the www.tippen4you.com, www.tippen4you.at and www.sportwettenforum.info domains. To fund these two acquisitions, the Company raised €2.55 million (before expenses) via a subscription with new and existing shareholders.

Both acquisitions are performing in line with Company's expectations and the Board believes that Bet90 will be a predominant driver of the Company's growth in revenues and profitability going forward.

Cash Flow

The Group operates in three major verticals (sports book and casinos, online lotteries and online financial trading) and has revenues and cost centres in numerous locations around the world. Significant growth was achieved across all verticals during 2017 and in particular, in respect of commissions due from the Group's marketing activities in online financial trading.

The Group has experienced some operational difficulties in receiving agreed marketing commissions within the online financial trading vertical due to internal processes applied by the Group's banks, however, the Directors have received written confirmation from the operators that the commissions are due and payable to the Group. The Directors started the process of restructuring the Group's banking relationships during 2017, in order to collect the receivables from all trading operators in different locations, without any restriction and the benefits are already being seen and are expected to increase in the coming months.

As a result of the above, the Group had a negative cash flow from operations of €1.1 million for the year ended 31 December 2017. Following completion of the restructuring of the Group's banking relationships, the Group does not expect to experience ongoing issues regarding the receipt of commissions due to it pursuant to its marketing agreements.

Board changes

During and post the year end, the Company made a number of changes to its Board and senior management to reflect the Company's evolution and growth.

In January 2017, the Group announced the appointment of Ilan Tzorya as Non-executive Director to support the Group's option marketing activities.

On 20 November 2017, the Group announced the appointment of Gilles Ohana as Non-executive Director and that David Mathewson would be stepping down as the Company's Non-Executive Chairman on 31 January 2018. Gilles Ohana was subsequently appointed as Non-Executive Chairman on 26 March 2018.

After the year end, in March 2018 the Company announced a number of further changes to its Board and senior management, as the Company sought to enhance the composition of its management team to allow it to capitalise on the significant opportunities that it believes are available to it. As part of the changes, Melissa Blau was appointed as Chief Executive Officer and Rainer Lauffs was appointed as Chief Operating Officer, while Uwe Lenhoff and Hans Dahlgren both stepped down from the Board, though they both remain fully committed to the Company as part of the Company's Senior Management team. Uwe Lenhoff is now the Company's Head of Business Development, allowing him to focus on his strength as an entrepreneur and new business generator whilst handing over the day to day operations of the business to Rainer Lauffs. Hans Dahlgren will continue as the Company's Chief Technical Officer. In addition, the Company announced the resignation of Ilan Tzorya as a Non-executive Director, to make way for the aforementioned changes to be implemented.

The Company is seeking a further independent Non-executive Director in line with the continuing growth of the Company and a further announcement will be made as appropriate.

Current trading and outlook

Following a very strong end to 2017, the momentum has continued into the first quarter of 2018 with revenues of approximately €4.8 million (Q1 2017: approximately €3 million), an increase of approximately 60% compared to the same period in 2017. The Board continues to believe that the Company is well positioned to achieve growth in 2018, with Bet90 being the main driver as it continues to grow and expand into new markets.

Dividend

The Directors are proposing to pay a maiden dividend for the year ended 31 December 2017, amounting to 0.25p per share and will include the final proposal in the notice of the Annual General Meeting. The Directors intend to establish a progressive dividend policy going forward, taking into account the growth strategy of the Group, both organically as well as its development and growth through acquisitions.

Approved by the Board of Directors and signed on behalf of the Board,

Gilles Ohana

Non-executive Chairman, Veltyco Group plc

6 June 2018

Directors' Report

The Directors present their report and consolidated financial statements for the year ended 31 December 2017.

Principal activities and review of the business

Veltyco is a company primarily focused on generating marketing leads and entering into marketing contracts for the activities of its partners in sports betting, casinos, poker games, lottery and online financial trading. Veltyco focuses on all of these three complementary industries under one umbrella, leveraging its historical cash generative activities of marketing online casinos and sports betting. Following the acquisitions of a 51% interest in Bet90 in April 2017 and the launch of its operations at the end of July 2017, the Group now has its own sportsbook, which is expected to be a significant contributor to the Group's growth in 2018.

Results and dividends

The Group's profit for the year, after taxation, amounted to €6.8 million (2016: profit of €20.6 thousand). The Group's 2016 profit was highly impacted by the reverse merger accounting and re-listing process. The operating EBITDA for the full year 2017 amounts to €8.1 million (2016: €2.2 million).

The Directors are proposing to pay a dividend for the year ended 31 December 2017, amounting to 0.25p per share and will include the final proposal in the notice of the Annual General Meeting.

Future developments

Future developments are discussed in the Strategic Report.

Financial Risk Management

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Board of Directors establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

Capital risk management

The Company's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders.

Liquidity risk

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

Currency risk

The Group is exposed to translation and transaction foreign exchange risk. As the majority of the Group's transactions are denominated in Euro, the Directors deem the Group's exposure to exchange rate fluctuations to be minimal.

Interest rate risk

The Group's exposure to upside interest rate risk is limited. The loans on the balance sheet have a fixed interest rate. The Directors do not consider the impact of possible interest rate changes based on current market conditions to be material to the net result for the year or the equity position at the year-end for either the year ended 31 December 2017 or 31 December 2016.

Credit risk
The Group's credit risk is primarily attributable to trade receivables, most of which are due from the Group's partners in the online financial trading vertical. The risk is that one of these partners would fail to discharge its obligation with regard to the balance owed to the Group. In addition, the Group has experienced some operational difficulties in receiving agreed marketing commissions from operators within the online financial trading sector due to internal processes applied by the Group's banks and the Group is in the process of restructuring its banking arrangements.

The Group seeks to reduce this credit risk by:

- monitoring balances with these partners on a regular basis.
- the current restructuring of its banking relationships in order to enable the Group to receive funds in different locations on a timely basis, which has not always been possible to date; and
- entering into agreements to receive funds directly from the partners payment processors.

The Group considers that based on the factors above, on past experience and on current trading, the receivables are of good credit quality and there is a low level of potential bad debt as at year-end. In addition, the Directors believe that the systems being put in place will enable monies due to the Group to be received on a timely basis.

An additional credit risk the Group faces relates to customers in its own operations (such as Bet90) disputing charges made to their credit cards ("chargebacks") or any other funding method they have used in respect of the services provided by the Group. Customers may fail to fulfil their obligation to pay, which will result in funds not being collected. These chargebacks and uncollected deposits, when occurring, will be deducted at source by the payment service providers from any amount due to the Group. When needed, the Group provides for these eventualities by way of an impairment provision based on analysis of past transactions. For the year-ended 31 December 2017, the Group has not made any provision for this.

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.

Going concern
After careful review of the Group's forecast for 2018, its medium-term plans, liquid resources and all relevant matters, the Directors are confident that the Group has adequate financial resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of this Annual Report. The Directors have therefore continued to adopt the going concern basis in preparing the Group's financial statements.

The Group operates in three major verticals (sports book and casinos, online lotteries and online financial trading) and has revenues and cost centres in numerous locations around the world. Significant growth was achieved across all verticals during 2017 and in particular in respect of commissions due from the Group's marketing activities in online financial trading.

The Group has experienced some operational difficulties in receiving agreed marketing commissions from operators within the online financial trading sector due to internal processes applied by the Group's banks, however, the Directors have received written confirmation from the operators that the commissions are due and payable to the Group. The Directors started the process of restructuring the

Group's banking relationships during 2017, in order to collect the receivables from all trading operators in different locations, without any restriction.

As a result of the above, the receipt of agreed commissions due to the Group in respect of the online financial trading vertical has been slower than anticipated and together with the significant growth in commissions from its marketing activities, the Group's trade receivable balance as at 31 December 2017 was approximately €8.8 million, the majority of which related to the Group's online financial trading activities. Together with a non-current and current loan receivable balance totalling €2.6 million and accrued income (being revenue that has been generated but not yet invoiced) of €2.7 million, the Group's total receivables balance as at 31 December 2017 was, in aggregate, €14.1 million across all of its operations. Of the total receivables balance, approximately €10.7 million related to marketing activities for Altair Entertainment N.V. ("Altair") in the online financial trading vertical.

The restructuring process of the Group's banking operations has made good progress and the benefits are already being seen and are expected to increase in the coming months. Since the year end, the receivables position of the Group as at 31 December 2017 has decreased and the Directors believe that the operators will fully settle the outstanding balances during the coming months.

Since the year end, the Group's total receivable balance of €14.1 million as at 31 December 2017 has been reduced to €4.9 million, all of which relates to the online financial trading vertical (of which €3.4 million is due from Altair), as follows:

- pursuant to the acquisition of Marsovia Holdings Ltd ("Marsovia") (regarding the database of users within online financial trading) from Altair, the €4.0 million consideration was offset against the full amount of the current loan receivable balance of €2.6 million and €1.4 million of trade receivables due from Altair, as announced on 25 May 2018 and disclosed in Note 15 of the accounts;
- €2.5 million has been settled against a loan provided to the Group by Winslet Enterprises Ltd ("Winslet"), a related party (ultimately controlled by Uwe Lenhoff, a previous director of the Company who is also the Company's main shareholder) for a corresponding amount. The balance of the loan as at 31 December 2017 was €1.0 million (see Note 22);
- €0.35 million has been offset against amounts due to a subsidiary of Altair, Payific Ltd; and
- €2.3 million has been received in cash by the Group from trading operators.

The above settlements are against the oldest receivables and as a result of trading since the year end and the ongoing restructuring of the Group's banking relationships, the Group's trade receivable balance as at 28 May 2018 was approximately €8.4 million (of which €3.4 million is due from Altair and €2.7 million is due from Celestial Trading Ltd ("Celestial")). In addition to the current trade receivable balance, the Group also has accrued income in respect of April and May 2018. Since the beginning of 2018, Celestial Trading Ltd has been operating all of the online financial trading brands for which the Group undertakes marketing activities and as a result, the commission due from such activities in 2018 is now payable by Celestial.

The Group had a negative cash flow from operations of €1.1 million for the year ended 31 December 2017. As a result of the above, the Group's current cash position has improved since the year end to €1.6 million as at 28 May 2018 (31 December 2017: €0.7 million) and at the same date, its borrowings have decreased from €1.4 million at the year end to just €27 thousand.

The Directors believe they have taken sufficient measures and made appropriate arrangements with its trading providers to obtain additional comfort on the collectability of these receivables, and therefore believe this balance will be recovered in full. Furthermore, the Directors continue to work on diversifying the Group's banking relationships in order to continue to receive commission payments in a normal way within the online financial trading vertical.

The ability of the Group to settle its liabilities as they fall due is dependent on the ability of the customers to settle the trade receivable balances and the Group's ability to finalise the restructuring of its banking relationships during the course of 2018, or to obtain loans from third parties to fund the working capital requirements of the business in the ordinary course. The Directors believe that with the agreements and measures in place, the outstanding amounts will be fully recovered during the remainder of the year.

Post balance sheet events

On 11 January 2018, the Group announced that MWB Fairtrade Wertpapierhandelsbank AG, a German securities broker, had successfully applied for a secondary listing of Veltyco's ordinary shares of no par value ("Ordinary Shares") to start trading on the Quotation Board Segment of the Open Market of the Frankfurt Stock Exchange ("FSE"), also known as the Regulated Unofficial Market of the FSE, or Freiverkehr. Accordingly, the Ordinary Shares of Veltyco are now tradable on the FSE under the symbol 24GN. The entire issued ordinary share capital of the Company continues to trade on the AIM market of the London Stock Exchange under the symbol VLTY.

On 17 January 2018, the Board announced that it had entered into an agreement to acquire a 51% interest in Varkasso Limited ("Varkasso"), a company that has the exclusive rights to use 8Crypt, a software platform providing crypto wallet solutions based on blockchain technology. The Board believes that this acquisition is an important step towards optimising players experience across its partners' platforms, allowing customers to access each platform from one wallet that also has the ability to accept crypto currencies through the use of blockchain technology.

On 16 February 2018, David Mathewson, former Chairman of the Company, exercised his 250,000 options at an exercise price of £0.25 per share.

Furthermore, on 15 March 2018, the Company announced that it had entered into a further partnership with eSports.com, focusing on the roll out of a new eSports business: in essence, the Group has extended its partnership with eSports.com and has entered into a joint venture with eSports.com to join forces in a blockchain project.

On 25 May 2018, the Company announced it that it had entered into an agreement with Altair to acquire the entire issued share capital of Marsovia. This acquisition being the first step in the Group seeking to launch a new regulated brand, active in the online trading sector. Marsovia holds a database of approximately 43,500 customers, of which approximately 26,000 are considered to be active, in the online trading sector.

The total consideration for this transaction amounted to €4.0 million and was offset against the existing indebtedness of, in aggregate, approximately €2.6 million pursuant to certain loans provided by the Group to Altair and certain trade receivables of approximately €1.4 million relating to the existing marketing agreements with Altair, resulting in this acquisition being cash neutral for Veltyco.

At the same time, the Directors confirmed that the existing marketing agreements for various brands in the online trading sector would continue for at least a further three years.

On 3 May 2018, the Company entered into a set-off agreement with Winslet, a company controlled by Uwe Lenhoff, pursuant to which the balance of a loan amounting to €2.5 million was settled in full against a corresponding amount of trade receivables from operators for whom Veltyco undertakes marketing activities in the online financial trading vertical. As a result, the trade receivables reduced by an equivalent amount, resulting in the set-off agreement being cash neutral to the Group.

Directors and their interest

The following Directors held share options as at 31 December 2017:

	Number of options	Exercise Price (£)	Date of grant	Vesting period
David Mathewson	250,000*	0.25	30 June 2016	1-2 years
Marcel Noordeloos	750,000	0.25	30 June 2016	1-4 years
Marcel Noordeloos	300,000	0.65	5 July 2017	1-4 years
Hans Dahlgren	562,500	0.25	30 June 2016	1-4 years
Hans Dahlgren	300,000	0.65	5 July 2017	1-4 years
Mark Rosman	400,000	0.25	30 June 2016	1-4 years
Mark Rosman	300,000	0.65	5 July 2017	1-4 years
Gilles Ohana	800,000	0.25	22 May 2017	1-4 years

* As David Mathewson left the Company on 31 January 2018, a total of 690,000 options were cancelled which are not included in this figure.

Directors who served during the year

	Appointed	Resigned
David Mathewson	24 April 2013	31 January 2018
Mark Rosman	19 March 2014	-
Uwe Lenhoff	30 June 2016	26 March 2018
Marcel Noordeloos	30 June 2016	-
Hans Dahlgren	30 June 2016	26 March 2018
Ilan Tzorya	16 January 2017	26 March 2018
Gilles Ohana	20 November 2017	-

On 26 March 2018, Melissa Blau was appointed as director and Chief Executive Officer and on the same date Rainer Lauffs was appointed director and Chief Operating Officer.

Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to keep reliable accounting records which allow financial statements to be prepared. In addition, the Directors have elected to prepare group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law. The financial statements are required to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and prepare financial statements. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for ensuring that they meet their responsibilities under the AIM Rules.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors
The auditors of the Group are Nexia Smith & Williamson, Chartered Accountants.

This report was authorised for issue by the Board on 6 June 2018.

Gilles Ohana
Non-executive Chairman, Veltyco Group plc

6 June 2018

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VELTYCO GROUP PLC

Opinion

We have audited the consolidated financial statements of Veltyco Group PLC (the 'Company') and its subsidiaries (together the 'Group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and the notes to the consolidated financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with our engagement letter dated 19 February 2018. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty in relation to going concern

We draw attention to Note 1 in the financial statements, which indicates that at 31 December 2017 the Group is dependent on the Group's ability to finalise the restructuring of its banking relationships and on the ability of certain customers to settle trade receivable balances. This will enable the receipt of the agreed commissions due from the operators of the online financial trading brands in respect of the Group's marketing activities, to achieve positive operating cash flows, in order to settle its liabilities as they fall due.

In the event that the Group is unable to restructure its banking relationships to make the receipt of the agreed commissions due then the Group may not be able to settle its liabilities as they fall due. In this instance the other intangible assets held by the Group at €3,985,347 and the goodwill held at €1,743,485 may be impaired, additional liabilities may arise and assets and liabilities currently classified as non-current may become current.

These conditions represent a material uncertainty that casts significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

In addition to the matter around going concern described above we identified the key audit matters described below as those that were of most significance in the audit of the financial statements of the current period. Key audit matters include the most significant assessed risks of material misstatement, including those risks that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team.

In addressing these matters, we have performed the procedures below which were designed to address the matters in the context of the financial statements as a whole and in forming our opinion thereon. Consequently, we do not provide a separate opinion on these individual matters.

Key audit matter	**Description of risk**	**How the matter was addressed in the audit and key observations arising with respect to that risk**
Recoverability of non-current and current loan receivable, trade and other receivables	As at 31 December 2017 the Group has a non-current and current loan receivable balance totalling €2.6m, a trade receivable balance of €8.8m and accrued income of €2.7m. A total of €14.1m. Of the €11.5m trade receivable and accrued income balance €10.8 relates to the Group's marketing activities in respect of online trading operators. €8.1m of this €10.8m is due from a single party, Altair Entertainment N.V. ("Altair"). Additionally, the loan receivable balance of €2.6m is due from Altair, giving a total balance of €10.7m due from a single party. The above factors represent a material risk in relation to the valuation of non-current and current loan receivable, trade and other receivables	Partial settlement of this balance has been achieved as set out in Notes 14 and 15: • We have reviewed the Sale and Purchase Agreement for ("Marsovia"); verified the existence of the database and of a sample of customers on the database; reviewed the valuation of the database based on third party customer acquisition cost data. • The tri-partite set-off agreements in respect of the related party loan payable and amount due to a subsidiary of Altair have been reviewed. • Cash receipts have been agreed to bank statements and remittance advice. The remaining €4.9m remains unrecovered at the date of signing of this audit report and as such there remains a material uncertainty regarding the recovery of amounts due from Altair. We have discussed the relationship between the Group and Altair with the Directors and they have confirmed that Altair is not a related party of the Group.

Revenue recognition	Revenue growth is a key performance indicator of the Group. Revenue expectations may place pressure on management to distort revenue recognition. This may result in overstatement or deferral of revenues to assist in meeting current or future targets or expectations. The Group's accounting policy for revenue recognition is included within Note 3.	We evaluated the design and implementation of relevant internal controls that the Group uses to ensure the completeness, accuracy and timing of revenue recognised. In testing revenue recognition we have: • Reviewed the Group's material contracts with customers. • Performed detailed testing on a sample of revenue transactions, including agreement to third party reports and the gaming platform operators' back office system. • Where cash has been received it has been agreed to bank statements and remittance advice. Where the above are the subject of the work of component auditors we have reviewed their working papers in respect of these items.
Acquisition accounting for Quasar Holdings Limited and T4U Marketing Limited under IFRS 3 'Business Combinations'	Quasar Holdings Limited and T4U Marketing Limited were acquired on 13 April 2017 for €2.0m and €510,000 respectively. Both of these acquisitions are material to the Group and require the use of significant management judgement regarding the identification of intangible assets acquired and the valuation of the assets and liabilities acquired. The valuation of certain of the assets involves the use of estimates regarding future cash flows. Purchase price allocation exercises have been performed by management, assisted by an external expert. The results of these exercises are included in Note 9.	Management relies on an external expert to value intangibles acquired in business combinations. We assessed the competency of this expert tested the results of their work and found no material issues. The audit team and our own valuation experts challenged the methodology and key assumptions used in determining the value of the intangible assets. We determined that the key assumptions such as the revenue, profit margins, royalty rates, discount rates, and useful economic lives were appropriate.

Completeness of related party transaction disclosures	During the audit process a material related party transaction was identified that had not been disclosed in the draft financial statements indicating that the Group's controls for identifying related party transactions were not operating as intended. As such there is a risk that transactions have taken place with unidentified related parties.	We communicated details of the newly identified related party to the members of the engagement team. We inquired of the Directors why their controls over related party relationships and transactions failed to identify this transaction. We reconsidered the risk that other related party transactions may exist and performed the following procedures in response to the increased risk: • Requested that the Directors re-circulate related party declarations to all members of Key Management Personnel so that they may be brought up to date immediately. • Reviewed these related party declarations to ensure that all relevant transactions had been disclosed within the financial statements. For related parties that had been noted but with whom there were no transactions we considered whether we were aware of any transactions with that individual or entity. • Where possible we have reviewed publicly available information, however due to the countries that the Group, its customers and suppliers operate in there is relatively little information available in this respect. • Reviewed the minutes of Board meetings for any potential related party transactions. • Made specific enquires of the Directors in respect of material contracts with customers. • Discussed material transactions outside the Group's normal course of business with the Directors to determine whether related parties could be involved.

Materiality
The materiality for the financial statements as a whole was set at €320,000. This has been determined with reference to the benchmark of the Group's revenue, which we consider to be one of the principal considerations for members of the Company in assessing the performance of the Group. Materiality represents 2% of revenue as presented on the face of the Consolidated Statement of Comprehensive Income.

An overview of the scope of our audit
Of the Group's 14 reporting components, we subjected eight to audit for Group reporting purposes and six to specific audit procedures where the extent of our audit work was based on our assessment of the risk of material misstatement and of the materiality of the Group. The latter have no audit requirements in their countries of incorporation but were still material to the Group.

The components within the scope of our work covered: 100% of Group's revenue, profit before tax and net assets.

The Group audit team visited two component locations in the Netherlands and Cyprus. Telephone conference meetings were held with the component auditors in Cyprus. At these visits and meetings, the Group audit team discussed the component auditors' risk assessments and planned audit approach. Once the audit work was completed, the findings reported to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditor. In addition to these planned visits and meetings, the Group audit team sent detailed instructions to the component audit teams and reviewed their audit working papers.

Other information
The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Nexia Smith & Williamson

Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

6 June 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	*Year ended 31 December 2017* €	*Year ended 31 December 2016* €
Revenues	4	16,194,791	6,082,468
Cost of Sales		(976,763)	-
Gross Margin		15,218,028	6,082,468
Salary expense		(1,087,235)	(608,825)
Marketing and selling expense		(4,550,529)	(2,682,422)
General administrative expense		(1,717,962)	(683,246)
Listing expenses		-	(123,850)
Depreciation, amortisation and impairment expense		(380,173)	(362,179)
Total administrative expenses		(7,735,899)	(4,460,522)
Operating profit		7,482,129	1,621,946
Reverse asset acquisition expense	19	-	(1,555,898)
Financial income/(expense)		98,779	(9,286)
Profit before tax		7,580,908	56,762
Taxation	7	(801,116)	(36,144)
Total comprehensive income		**6,779,792**	**20,618**
Attributable to:			
Equity holders of the Company		7,333,280	20,618
Non-controlling interests		(553,488)	-
		6,779,792	**20,618**
Earnings per share attributable to equity holders of the Company			
- Basic (in €)	8	0.1017	0.0004
- Diluted (in €)	8	0.0944	0.0004

The Notes on pages 23 to 53 form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December *2017* €	31 December *2016* €
Non-current assets			
Goodwill	10	1,743,485	-
Other intangible assets	11	3,985,347	2,740,792
Investments	12	25,000	-
Property, plant and equipment	13	2,530	4,158
Loans receivable	14	997,476	916,197
Total non-current assets		6,753,838	3,661,147
Current assets			
Loans receivable	14	1,558,057	1,590,883
Trade and other receivables	15	11,881,469	2,602,338
Cash and cash equivalents	16	700,192	144,125
Total current assets		14,139,718	4,337,346
Total assets		20,893,556	7,998,493
Equity and liabilities			
Share capital	17	-	-
Additional paid-in capital	18	13,665,233	10,614,354
Reverse asset acquisition reserve	19	(6,046,908)	(6,046,908)
Retained earnings	20	9,948,904	2,376,540
Equity attributable to owners of the parent		17,567,229	6,943,986
Non-controlling interests		182,967	-
Total shareholders' equity		17,750,196	6,943,986
Non-current liabilities			
Borrowings	22	1,355,223	26,358
Total non-current liabilities		1,355,223	26,358
Current Liabilities			
Trade and other payables	23	1,788,137	1,028,149
Total current liabilities		1,788,137	1,028,149
Total equity and liabilities		20,893,556	7,998,493

Approved by the board on 6 June 2018 and signed on its behalf by:

Gilles Ohana

The Notes on pages 23 to 53 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	*Additional paid in capital*	*Other reserves - Reverse asset acquisition reserve*	*Retained earnings*	*Total*	*Non-controlling interest*	*Total Equity*
	€	€	€	€	€	€	€
Balance as at 1 January 2016 (restated)	-	6,046,980	(6,046,908)	2,304,891	2,304,963	-	2,304,963
Profit for the financial period	-	-	-	20,618	20,618	-	20,618
Share based acquisition	-	2,801,592	-	-	2,801,592	-	2,801,592
Share based payments	-	90,909	-	51,031	141,940	-	141,940
Issue of share capital	-	1,674,873	-	-	1,674,873	-	1,674,873
Balance as at 31 December 2016	-	10,614,354	(6,046,908)	2,376,540	6,943,986	-	6,943,986
Profit for the financial period	-	-	-	7,333,280	7,333,280	(553,488)	6,779,792
Share based payments	-	161,000	-	239,084	400,084	-	400,084
Exercise of stock options and warrants	-	333,416	-	-	333,416	-	333,416
Non-controlling interests on acquisitions	-	-	-	-	-	736,455	736,455
Issue of share capital	-	2,556,463	-	-	2,556,463	-	2,556,463
Balance as at 31 December 2017	-	13,665,233	(6,046,908)	9,948,904	17,567,229	182,967	17,750,196

The Notes on pages 23 to 53 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	31 December 2017 €	31 December 2016 €
Cash flows from operating activities			
Operating profit		7,482,129	1,621,946
Adjustments for:			
Share based payments		239,084	53,016
Depreciation		1,628	813
Amortisation of intangibles		378,545	86,356
Impairment		-	275,011
Cash flow from operations before working capital changes		**8,101,386**	**2,037,142**
(Increase) in trade and other receivables		(9,279,131)	(1,761,112)
Increase/(decrease) in trade and other payables		146,894	(307,415)
Cash outflow from operations		**(1,030,851)**	**(31,385)**
Tax paid		(72,152)	(50,144)
Cash outflow from operating activities		**(1,103,003)**	**(81,529)**
Cash flow from investing activities			
Acquisition of subsidiaries		(2,510,000)	-
Acquisitions of intangible assets		(75,000)	(275,011)
Acquisition of investments		(25,000)	-
Loans granted		(189,681)	(767,701)
Loans repayments received		225,000	497,800
Interest received		15,007	80,388
Cash acquired on reverse asset acquisition		-	2,112
Net cash outflow from investing activities		**(2,559,674)**	**(462,412)**
Cash flow from financing activities			
Proceeds of issue of new shares		2,889,879	646,278
Loans received	29	1,328,865	-
Net cash inflow from financing activities		**4,218,744**	**646,278**
Net increase in cash and cash equivalents		556,067	102,337
Cash and cash equivalents at start of period		144,125	41,788
Cash and cash equivalents at end of period		**700,192**	**144,125**

The Notes on page 23 to 53 form part of these financial statements

Notes to the Consolidated Financial Statements
For the year ended 31 December 2017

Note 1: General Information

The principal accounting policies as adopted by the Group in the preparation of its consolidated financial statements for the year ended 31 December 2017 are set out below. The accounting policies have been consistently applied, unless otherwise stated.

Basis of preparation
The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (''IFRS'') as adopted by the European Union and issued by the International Accounting Standards Board (''IASB''). These accounting policies comply with each IFRS that is mandatory for accounting periods ending on or after 31 December 2017. The Consolidated Financial Statements have been prepared under the historical cost convention and on a going concern basis.

The Directors have reviewed the accounting policies used by the Group and consider them to be appropriate. The accounting policies are consistent with the prior years.

Basis of consolidation
The Consolidated Financial Statements incorporate the results of Veltyco Group plc (the "Company") and entities controlled by the Company (its subsidiaries) (collectively the "Group"). Control is achieved where the Company has the power to govern the financial and operating policies of an entity.

The results of subsidiaries disposed of are included in the consolidated statement of comprehensive income to the effective date of loss of control and those acquired from the date on which control is transferred to the Group.

Going concern
After careful review of the Group's forecast for 2018, its medium-term plans, liquid resources and all relevant matters, the Directors are confident that the Group has adequate financial resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of this Annual Report. The Directors have therefore continued to adopt the going concern basis in preparing the Group's financial statements.

The Group operates in three major verticals (sports book and casinos, online lotteries and online financial trading) and has revenues and cost centres in numerous locations around the world. Significant growth was achieved across all verticals during 2017 and in particular in respect of commissions due from the Group's marketing activities in online financial trading.

The Group has experienced some operational difficulties in receiving agreed marketing commissions from operators within the online financial trading sector due to internal processes applied by the Group's banks, however, the Directors have received written confirmation from the operators that the commissions are due and payable to the Group. The Directors started the process of restructuring the Group's banking relationships during 2017, in order to collect the receivables from all trading operators in different locations, without any restriction.

As a result of the above, the receipt of agreed commissions due to the Group in respect of the online financial trading vertical has been slower than anticipated and together with the significant growth in commissions from its marketing activities, the Group's trade receivable balance as at 31 December 2017 was approximately €8.8 million, the majority of which related to the Group's online financial trading activities. Together with a non-current and current loan receivable balance totalling €2.6 million and accrued income (being revenue that has been generated but not yet invoiced) of €2.7 million, the Group's total receivables balance as at 31 December 2017 was, in aggregate, €14.1 million across all of its operations. Of the total receivables balance, approximately €10.7 million related to marketing activities for Altair Entertainment N.V. ("Altair") in the online financial trading vertical.

The restructuring process of the Group's banking operations has made good progress and the benefits are already being seen and are expected to increase in the coming months. Since the year end, the receivables position of the Group as at 31 December 2017 has decreased and the Directors believe that the operators will fully settle the outstanding balances during the coming months.

Since the year end, the Group's total receivable balance of €14.1 million as at 31 December 2017 has been reduced to €4.9 million, all of which relates to the online financial trading vertical (of which €3.4 million is due from Altair), as follows:

- pursuant to the acquisition of Marsovia Holdings Ltd ("Marsovia") (regarding the database of users within online financial trading) from Altair, the €4.0 million consideration was offset against the full amount of the current loan receivable balance of €2.6 million and €1.4 million of trade receivables due from Altair, as announced on 25 May 2018 and disclosed in Note 15 of the accounts;
- €2.5 million has been settled against a loan provided to the Group by Winslet Enterprises Ltd ("Winslet"), a related party (ultimately controlled by Uwe Lenhoff, a previous director of the Company who is also the Company's main shareholder) for a corresponding amount. The balance of the loan as at 31 December 2017 was €1.0 million (see Note 22);
- €0.35 million has been offset against amounts due to a subsidiary of Altair, Payific Ltd; and
- €2.3 million has been received in cash by the Group from trading operators.

The above settlements are against the oldest receivables and as a result of trading since the year end and the ongoing restructuring of the Group's banking relationships, the Group's trade receivable balance as at 28 May 2018 was approximately €8.4 million (of which €3.4 million is due from Altair and €2.7 million is due from Celestial Trading Ltd ("Celestial")). In addition to the current trade receivable balance, the Group also has accrued income in respect of April and May 2018. Since the beginning of 2018, Celestial Trading Ltd has been operating all of the online financial trading brands for which the Group undertakes marketing activities and as a result, the commission due from such activities in 2018 is now payable by Celestial.

The Group had a negative cash flow from operations of €1.1 million for the year ended 31 December 2017. As a result of the above, the Group's current cash position has improved since the year end to €1.6 million as at 28 May 2018 (31 December 2017: €0.7 million) and at the same date, its borrowings have decreased from €1.4 million at the year end to just €27 thousand.

The Directors believe they have taken sufficient measures and made appropriate arrangements with its trading providers to obtain additional comfort on the collectability of these receivables, and therefore believe this balance will be recovered in full. Furthermore, the Directors continue to work on diversifying the Group's banking relationships in order to continue to receive commission payments in a normal way within the online financial trading vertical.

The ability of the Group to settle its liabilities as they fall due is dependent on the ability of the customers to settle the trade receivable balances and the Group's ability to finalise the restructuring of its banking relationships during the course of 2018, or to obtain loans from third parties to fund the working capital requirements of the business in the ordinary course. The Directors believe that with the agreements and measures in place, the outstanding amounts will be fully recovered during the remainder of the year.

Reverse asset acquisition in 2016
On 30 June 2016, the Group acquired 100% of the issued capital of Sheltyco Enterprises Group Ltd ("Sheltyco") in a share for share transaction, and on the same date changed its name from Velox3 plc to Veltyco Group plc. Due to the relative size of the companies, Sheltyco's shareholders became the majority shareholders in the enlarged share capital (before a share placing and conversion of debt on the same date). In addition, the Directors and executive management became members of the enlarged Board of Directors and executive management team.

Under IFRS the acquisition constituted a reverse asset acquisition of the Group by Sheltyco. It would normally be necessary for the Group's consolidated Financial Statements to follow the legal form of the business combination, with Sheltyco's results consolidated into the Group results from the date of the completion of the transaction of 30 June 2016. In this case, the consolidated financial statements have been treated as being a continuation of the Financial Statements of Sheltyco with Velox3 being treated as the acquired entity for accounting purposes.

As the consolidated group results represent a continuation of the financial statements of the legal subsidiary, the assets and liabilities of Sheltyco have been recognised and measured in the consolidated results at their pre-combination carrying amounts. The retained earnings and other equity balances recognised are the retained earnings and other equity balances of Sheltyco immediately before the business combination and the amount recognised as issued equity instruments has been determined by adding the issued equity of Sheltyco immediately before the business combination the costs of the combination, being the value of notional shares issued by Sheltyco. Adjustments have been made to the consolidated reserves to reflect the equity structure of the legal parent company, Veltyco Group plc.

The reverse asset acquisition expense represents the net liabilities of Veltyco at the acquisition date. The reverse asset acquisition reserve represents the difference in carrying value between the additional paid in capital of Veltyco and the share capital of Sheltyco on the acquisition date.

Note 2: Critical accounting policies, estimates and judgements

The preparation of the Consolidated Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In the process of applying the entity's accounting policies, which are described below, the critical accounting judgements made by the Directors which have had a material effect on the Consolidated Financial Statements are as follows:

Areas of estimation

Determination of fair values
A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Recovery of trade receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost and principally comprise amounts due from the partners operating the websites for which the Group provide marketing services. Provision for doubtful debt is made when there is objective evidence that the full amount may not be collected.

Intangible fixed assets
For all acquisitions, the Directors have recognised separately identifiable intangible assets on the Consolidated Statement of Financial Position. These intangible assets have been valued based on expected future cash flow projections from the business. The calculations of the value and estimated future economic life of the assets involve, by the nature and variability of the assets, significant judgement and therefore have a material impact, including the amortisation of intangibles.

Impairment of Goodwill and other intangible fixed assets
Determining whether goodwill and other intangible fixed assets with a definite or indefinite useful life are impaired requires an estimation of the value-in-use of the cash-generating units. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and select a suitable discount rate in order to calculate present value together with an assessment as to whether future cash flows are subject to any degree of uncertainty. The work to assess the existence of impairment indicators and, where applicable, to evaluate the impairment of goodwill and intangible assets was conducted internally by the Directors.

Standards in issue but not yet effective
At the date of authorisation of these financial statements, a number of new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. The directors have considered the impact of the following new standards which are not expected to have a material impact on the Group's consolidated financial statements.

1) IFRS 9 Financial Instruments (effective 1 January 2018)

2) IFRS 15 Revenue from Contract with Customers (effective 1 January 2018)

Re. 1) IFRS 9

In July 2014, the IASB issued the final and complete version of IFRS 9, "Financial Instruments" ("the new Standard"), which replaces IAS 39, "Financial Instruments: Recognition and Measurement". The new Standard addresses all three aspects of financial instruments: classification and measurement, impairment and hedge accounting.

According to the new Standard, all financial assets are measured at fair value upon initial recognition. In subsequent periods, debt instruments are measured at amortised cost only if both of the following conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect the contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement of all other debt instruments and financial assets should be at fair value. The new Standard establishes a distinction between debt instruments to be measured at fair value through profit or loss and debt instruments to be measured at fair value through other comprehensive income.

Financial assets that are equity instruments should be measured in subsequent periods at fair value and the changes recognised in profit or loss or in other comprehensive income (loss), in accordance with the election by the Company on an instrument-by-instrument basis. If equity instruments are held for trading, they should be measured at fair value through profit or loss.

The new Standard introduces a three-stage model for measuring impairment of financial debt instruments that are not measured at fair value through profit or loss based on the expected credit loss method. Each stage determines the basis of measurement of expected credit losses based on the changes in the debt instrument's credit risk. The model also grants a relief for financial assets with short credit terms, such as trade receivables.

According to the new Standard, the provisions of IAS 39 will continue to apply to derecognition and to financial liabilities for which the fair value option has not been elected.

According to the new Standard, changes in the fair value of financial liabilities measured at fair value which are attributable to the change in credit risk should be presented in other comprehensive income. All other changes in fair value should be presented in profit or loss.

The new Standard is to be applied for annual periods beginning on 1 January 2018.

The Group plans to adopt the new Standard on 1 January, 2018 without any expected restatement of comparative figures and carry any cumulative effect of the adoption to retained earnings (or other equity component, as applicable).

After having evaluated the implications of the adoption of the new Standard, the Group estimates that its adoption is not expected to have a material impact on the Group's financial statements.

Re. 2) IFRS 15

IFRS 15 ("the new Standard") was issued by the IASB in May 2014.

The new Standard replaces IAS 18, "Revenue", IAS 11, "Construction Contracts", IFRIC 13, "Customer Loyalty Programs", IFRIC 15, "Agreements for the Construction of Real Estate", IFRIC 18, "Transfers of Assets from Customers" and SIC-31, "Revenue - Barter Transactions Involving Advertising Services".

The new Standard introduces a five-step model that will apply to revenue earned from contracts with customers:

Step 1: *Identify the contract with a customer*, including reference to contract combination and accounting for contract modifications.

Step 2: *Identify the separate performance obligations in the contract*

Step 3: *Determine the transaction price*, including reference to variable consideration, financing components that are significant to the contract, non-cash consideration and any consideration payable to the customer.

Step 4: *Allocate the transaction price to the separate performance obligations* on a relative stand-alone selling price basis using observable information, if it is available, or using estimates and assessments.

Step 5: *Recognise revenue when a performance obligation is satisfied,* either at a point in time or over time.

The new Standard is to be applied retrospectively for annual periods beginning on 1 January, 2018.

After having evaluated the effects of the application of the new Standard, the Directors believe that the adoption is not expected to have a material effect on the Group's financial statements.

Note 3: Significant accounting policies

The principal accounting policies applied in the preparation of these Consolidated Financial Statements are set out below. The policies have been consistently applied to all years presented, unless otherwise stated.

Revenue

Commission income
Commission income is recognised provided that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised in the accounting periods in which the right to receive payment is established.

Sportsbook and casino revenue
Revenue is recognised provided that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised in the accounting periods in which the transactions occurred and after adding the fees and charges applied to customer accounts, and is measured at the fair value of the consideration received or receivable.

Revenue consists of income from activities and income generated on customer deposit and withdrawals and account fees.

Revenue from these activities comprises:

Sportsbook
Sport online gaming revenue comprises bets placed less pay-outs to customers, adjusted for the fair value of open betting positions, adjusted for the fair value of certain promotional bonuses granted to customers.

Casino
Casino and Bingo online gaming revenue is represented by the difference between the amounts of bets placed by customers less amounts won, adjusted for the fair value of certain promotional bonuses granted to customers.

Administrative expenses
Administrative expenses consist primarily of staff costs (including contractors), corporate professional expenses, and depreciation and amortisation. All expenses are recognised on an accruals basis.

Foreign currencies
Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Any gains or losses arising on translation are taken to the income statement.

Retirement benefit costs and pensions
The Group does not operate any defined benefit pension schemes for employees or Directors. The Group has no payment obligations relating to retirement and pension plans.

Taxation

Current tax
Current tax for each taxable entity in the Group is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the statement of financial position date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred tax
Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, if the deferred tax arises from the 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, it is not accounted for. Deferred tax is determined using 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 tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

Intangible fixed assets
Acquired intangible assets
Intangible assets acquired separately consist of domain names and customer lists and are capitalised at cost. Those acquired as part of a business combination are recognised separately from goodwill if the fair value can be measured reliably. These intangible assets are amortised over the useful life of the assets, which for domain names is ten years. The useful life of customer lists is 1 to 8 years.

The cost of intangible assets acquired in a business combination is the fair value at acquisition date. The valuation methodology used for each type of identifiable asset category is detailed below:

Asset category Valuation methodology

Asset category	Valuation methodology
Customer relationship	Excess earnings
Domain names	Relief from royalty
Licenses	Cost approach

Goodwill
Goodwill represents the excess of the fair value of the consideration in a business combination over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities acquired. Consideration comprises the fair value of any assets transferred, liabilities assumed and equity instruments issued.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated income statement and not subsequently reversed. Where the fair values of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated income statement on the acquisition. Changes in the fair value of the contingent consideration are charged or credited to the consolidated income statement. In addition, the direct costs of acquisition are charged immediately to the consolidated income statement.

Non-controlling interests

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination except where any non-controlling interests have been acquired by the Group. At this point any share of gains or losses are transferred to the Group's retained earnings. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Impairment of non-financial assets

Impairment tests on goodwill are undertaken annually and where applicable an impairment loss is recognised immediately in the consolidated income statement. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (being the higher of value in use and fair value less costs to sell), the asset is written down accordingly through the consolidated income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash generating unit (i.e. the smallest group of assets to which the asset belongs for which there are separately identifiable and largely independent cash inflows).

Investments

The Group reports its investments in entities at fair value with movements in fair value being taken directly to equity. The fair value of investments in unquoted equity securities cannot be reliably measured and they are therefore held at cost.

Equity

Equity comprises the following:

- "Share capital" represents amounts subscribed for shares at nominal value.
- "Additional paid in capital" represents amounts subscribed for share capital in excess of nominal value.
- The reverse asset acquisition reserve represents the difference in carrying value between the Additional paid in capital of Veltyco and the Share capital of Sheltyco on the acquisition date.
- "Retained earnings" represents the accumulated profits and losses attributable to equity shareholders.

Financial instruments

Trade and other receivables

Trade receivables are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents, and finance income
Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Finance income is recognised on bank balances as and when it is receivable.

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

Financial liabilities
Financial liabilities are classified as financial liabilities measured at amortised cost. The Group determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognised respectively in interest and other revenues and finance costs.

Borrowings and finance costs
Borrowings are initially recognised at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Note 4: Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance. In accordance with IFRS 8, the chief operating decision maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The Board considers that the business comprises a single activity, being the marketing and promotion of gaming websites, lottery and online financial trading. Therefore, the Group is organised into one operating segment and there is one primary reporting segment. The segment information is the same as that set out in the Consolidated Statements of Comprehensive Income, Consolidated Statements of Financial Position, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows.

Revenue originates from:

	2017 €	2016 €
British Virgin Islands	5,176,399	3,773,843
Isle of Man	-	2,308,625
EU Countries	936,289	-
Other Non - EU Countries	10,082,103	-
Total	16,194,791	6,082,468

The Board evaluates the operations based on the revenues metric. Revenues consist of invoiced commissions for the marketing and player acquisition services provided as well as revenues generated from own operations. Veltyco operates an integrated business model and, therefore, does not allocate operating expenses, assets and liabilities to any of the originating countries.

The Group has three major customers that contribute over 10% of the Group's revenue for 2017. These customers contribute €9,824,543 (2016: €2,430,384), €3,023,709 (2016: €2,774,244) and €2,084,569 (2016: €644,274) respectively.

Note 5: Key management remuneration

Key management remuneration for each period was as follows:

	Cash based Salary	*Share based payments*	*Total Remuneration 2017*	*Total Remuneration 2016*
	€	€	€	€
Uwe Lenhoff	180,000	-	180,000	180,000
David Mathewson	45,000	83,839	128,839	53,756
Marcel Noordeloos	133,500	29,161	162,661	130,954
Hans Dahlgren	30,000	29,161	59,161	18,911
Mark Rosman	30,000	23,852	53,852	32,423
Ilan Tzorya	30,000	-	30,000	-
Gilles Ohana	12,500	45,011	57,511	-
Total	461,000	211,024	672,024	416,044

Note 6: Profit for the year

Profit before taxation is stated after charging/(crediting):

	Year ended 31 December 2017	*Year ended 31 December 2016*
	€	€
Depreciation of property, plant and equipment	1,628	813
Amortisation of intangibles	378,545	86,356
Impairment of intangibles	-	275,011
Operating lease expenses	44,598	11,693
Share based payment charge	239,084	140,940
Foreign exchange (gains)	(10,988)	(15,083)

Note 7: Taxation

	Year ended 31 December 2017 €	Year ended 31 December 2016 €
Profit before tax	7,580,908	56,762
Profit before tax multiplied by the standard rate of corporation tax in Isle of Man of 0%	-	-
Effect of different tax rates in other countries	801,116	36,144
Tax charge	801,116	36,144

Note 8: Earnings per share (basic and diluted)

	Year ended 31 December 2017 €	Year ended 31 December 2016 €
Earnings		
Earnings for the purposes of basic and diluted earnings per share, being net profit after tax attributable to equity shareholders	7,333,280	20,618
Number of shares		
Weighted average number of ordinary shares for the purposes of:		
Basic earnings per share	72,128,655	53,116,500
Diluted earnings per share	77,648,727	55,788,510
Basic earnings per share (in €)	0.1017	0.0004
Diluted earnings per share (in €)	0.0944	0.0004

The Group has granted share options in respect of equity shares to be issued, the details of which are disclosed in Note 21.

Note 9: Business combinations

Acquisition of T4U Marketing Ltd

On 14 April 2017, the Group acquired 51% of the issued share capital in T4U Marketing Ltd, obtaining control of the operations. T4U Marketing Ltd is a company operating a forum for German speaking sports betters, earning its revenues through an affiliate business model. The Board believes that this acquisition represents an opportunity for Veltyco to grow its business by using its expertise in online marketing. As part of this acquisition, the Group also had the option to buy the 49% non-controlling interest within 1 year after the transaction date, at a price not exceeding €490,000. However, the Group has not exercised this option. The option has not been valued in the accounts.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	€
Net assets	(4,667)
Customer list	24,600
Domain names	328,000
Total identifiable assets	347,933
Non-controlling interest	(170,487)
Goodwill	332,554
Total Consideration	510,000
Satisfied by:	
Cash	510,000
Equity instruments	-
Total consideration transferred	510,000
Net cash outflow arising on acquisition:	
Cash consideration	510,000
Less: cash and cash equivalent balances acquired	-
	510,000

Goodwill of €332,554 arising from the acquisition consists of the experienced team acquired, future company results and business reputation.

The business contributed €194,623 to the Group's revenue and increased the Group's profit by €110,880 from the date of acquisition to the year-end.

Acquisition of Quasar Holdings Ltd

On 14 April 2017, the Group acquired 51% of the issued share capital in Quasar Holdings Ltd, obtaining control of the Bet90 operations. Quasar Holdings Ltd is the holding company of Bet90 Sports Ltd, which is the operating company. Bet90 Sports Ltd holds a class 2 license with the Maltese Gaming Authority (MGA) and operates a gambling website under the domain www.bet90.com. The Board believes that the acquisition represents an exciting opportunity for Veltyco to grow its business, by using its expertise in online marketing and differentiating its business model from only commission based marketing revenue to operating its own business. The Bet90 website went live at the end of July 2017.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below:

	€
Net assets	(40,463)
Brand and domain names	1,165,500
Gaming license	30,000
Total identifiable assets	1,155,037
Non-controlling interest	(565,968)
Goodwill	1,410,931
Total Consideration	2,000,000
Satisfied by:	
Cash	2,000,000
Equity instruments	-
Total consideration transferred	2,000,000
Net cash outflow arising on acquisition:	
Cash consideration	2,000,000
Less: cash and cash equivalent balances acquired	-
	2,000,000

The goodwill of €1,410,931 arising from the acquisition consists of future company results and brand reputation.

The business contributed €741,667 to the Group’s revenue and decreased the Group’s profit by €1,198,766 from the date of acquisition to the year-end

For each subsidiary, the non-controlling interest has been calculated based on share of net assets.

Note 10: Goodwill

	Goodwill
	€
Cost	
At 1 January 2016 and 31 December 2016	-
Additions	1,743,485
Disposals	-
At 31 December 2017	1,743,485
Net Book Value	
At 1 January 2016 and 31 December 2016	-
At 31 December 2017	1,743,485

Goodwill
Goodwill arose following the acquisition of 51% in T4U Marketing Ltd and 51% in Quasar Holdings Ltd as described in Note 9.

Key assumptions and inputs used
Cash flow projections have been prepared for a five-year period, following which a long-term growth rate has been assumed. Underlying growth rates have been applied to revenue and are based on past experience, including the results in 2016 and 2017. Key assumptions in preparing these cash flow projections include moderate growth in revenue, a stable level of costs per customer acquisition and the expectation that the Group will continue to operate in the countries currently being covered.

The Directors have performed an impairment review at the end of the year. This is done based on the discounted cash flow methodology, for which a weighted average cost of capital ("WACC") rate was used of 15.9% a growth rate of 2% per year for the T4U Marketing Ltd acquisition. For the acquisition of Quasar Holdings Ltd the same WACC of 15.9% was used and a 2% long term growth rate after 5 years was used.

Note 11: Other intangible assets

	Customer list	Brand and domain names	Other	Total
	€	€	€	€
Cost				
At 1 January 2016	37,142	-	-	37,142
Additions	-	3,076,603	-	3,076,603
Disposals	-	-	-	-
At 31 December 2016	37,142	3,076,603	-	3,113,745
Additions(1)	24,600	1,493,500	105,000	1,623,100
Disposals	-	-	-	-
At 31 December 2017	61,742	4,570,103	105,000	4,736,845
Amortisation				
At 1 January 2016	11,586	-	-	11,586
Charge for the period	4,643	81,713	-	86,356
Disposals	-	-	-	-
Impairment	-	275,011	-	275,011
At 31 December 2016	16,229	356,724	-	372,953
Charge for the period	18,623	329,610	30,312	378,545
Impairment	-	-	-	-
At 31 December 2017	34,852	686,334	30,312	751,498
Net Book Value				
At 1 January 2016	25,556	-	-	25,556
At 31 December 2016	20,913	2,719,879	-	2,740,792
At 31 December 2017	26,890	3,883,769	74,688	3,985,347

Of the additions in 2016 to domain names of €3,076,603, an amount of €2,801,592 was financed by the issue of additional share capital. This amount relates to a domain name which will be amortised over 10 years. The amortisation charge for the year amounted to €288,330. The remaining life is 8.5 years and the remaining book value at 31 December 2017 amounts to €2,431,551

(1) Material additions during the year:

- In April 2017, the Company completed the acquisition of 51% in the share capital of T4U Marketing Ltd for a cash consideration of €510,000. The domain was valued at €328,000 and will be amortised over a period of 20 years. The amortisation charge for the year amounts to €11,616 and therefore the remaining book value amounts to €316,384. The remaining life is 19.5 years; and
- In June 2017, the Company completed the acquisition of 51% in the share capital of Quasar Holdings Ltd for a cash consideration of €2,000,000. The Bet90 domain was valued at €1,165,500 and will be amortised over a period of 20 years. The amortisation charge for the year amounts to €41,278 and therefore the remaining book value amounts to €1,124,222. The remaining life is 19.5 years.

Further details of these additions are provided in Note 9.

Note 12: Investments

	Financial assets available for sale €
Cost	
At 1 January and 31 December 2016	-
Additions	25,000
Disposals	-
At 31 December 2017	25,000

On 10 October 2017, the Group acquired a 7.5% stake in eSports.com. The cash consideration of €25,000 was attributed to the available for sale asset.

Note 13: Property, plant & equipment

	Furniture & equipment €	*Computers* €	*Total* €
Cost			
At 1 January 2016	-	-	-
Additions as part of acquisition	4,500	1,005	5,505
Disposals	-	-	-
At 31 December 2016	4,500	1,005	5,505
Additions	-	-	-
Disposals	-	-	-
At 31 December 2017	4,500	1,005	5,505
Depreciation			
At 1 January 2016	-	-	-
Additions as part of acquisition	(450)	(84)	(534)
Charge for the period	(562)	(251)	(813)
Disposals	-	-	-
At 31 December 2016	(1,012)	(335)	(1,347)
Charge for the period	(1,125)	(503)	(1,628)
Disposals	-	-	-
At 31 December 2017	(2,137)	(838)	(2,975)
Net Book Value			
At 1 January 2016	-	-	-
At 31 December 2016	3,488	670	4,158
At 31 December 2017	2,363	167	2,530

Note 14: Loan receivable

	31 December 2017 €	31 December 2016 €
Balance at 1 January	2,507,080	2,453,881
New loans granted	189,681	749,099
Repayments	(225,000)	(767,701)
Interest charged	83,772	71,801
Balance at 31 December	2,555,533	2,507,080

The loans are repayable as follows:

	31 December 2017 €	31 December 2016 €
Within one year	1,558,057	1,590,883
Between one and five years	997,476	916,197
Balance at 31 December	2,555,533	2,507,080

The loan receivable bears an interest of 3% per annum.

On 25 May 2018, the Group entered into an agreement with Altair to acquire the entire issued share capital of Marsovia. This acquisition is the first step in the Group seeking to launch a new regulated brand, active in the online trading sector. Marsovia holds a database of approximately 43,500 customers, of which approximately 26,000 are considered to be active, in the online trading sector.

The total consideration for this transaction amounted to €4.0 million and was offset against the above existing indebtedness of, in aggregate, €2.6 million owed by Altair pursuant to certain loans provided by the Group and certain trade receivables of approximately €1.4 million owed by Altair to the Group pursuant to the Group's market activities, resulting in this acquisition being cash neutral for Veltyco.

Note 15: Trade and other receivables

	Year ended 31 December 2017 €	Year ended 31 December 2016 €
Trade receivables	8,801,189	1,371,659
VAT receivables	37,714	37,759
Other receivables and prepayments	299,998	159,423
Accrued income	2,742,568	1,033,497
Total	11,881,469	2,602,338

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that provision of services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Due to the nature of the Group's operations the Group only has a few customers.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for Group's of similar assets in respect of losses that have been incurred but not yet identified.

Impairment

As at 31 December 2016 and 2017, the ageing of trade and other receivables that were not impaired are as follows:

	Year ended 31 December 2017 €	*Year ended 31 December 2016* €
Not due	277,070	667,512
Past due 1-30 days	910,072	359,428
Past due 31-120 days	3,078,926	42,288
Past due more than 120 days	4,535,121	302,431
Total	8,801,189	1,371,659

Management believes that the unimpaired amounts that are past due are collectible in full.

As at 28 May 2018, partial settlement of this balance after year-end has been achieved as follows:

- €1,417,427 (the trade receivable portion of the €4,000,000) was settled via the acquisition of Marsovia as also disclosed in Note 14 of the accounts;
- €2,466,806 has been set off against loan amounts due to Winslet, which is controlled by Uwe Lenhoff. Of this loan balance €978,115 was owed at 31 December 2017, increasing to the settlement amount post year end as detailed in Note 22;
- €1,821,382 has been received in cash; and
- €350,000 has been offset against amounts due to a subsidiary of the counterparty.

The remaining trade receivable balance of €2,745,574 and accrued income balance of €2,181,827 remains unrecovered as at 28 May 2018. As detailed in the going concern disclosure in Note 1, the Directors believe they have taken sufficient measures and have entered into appropriate agreements to get additional comfort on the ability to process these receivables through its banking channels, and therefore believe this balance will be recovered in full.

The Group does not hold any collateral over the trading balances, but does have certain arrangements with payment providers of the operators in place to secure repayment of the outstanding amounts.

Note 16: Cash and cash equivalents

	Year ended 31 December 2017	*Year ended 31 December 2016*
	€	*€*
Cash held in current accounts	660,192	144,125
Restricted cash	40,000	-
Total	700,192	144,125

The restricted cash relates to a regulatory amount to cover liabilities to players at year-end.

Note 17: Share capital

	Year ended 31 December 2017	*Year ended 31 December 2016*
	€	*€*
Allotted, called up and fully paid		
74,418,659 (2016: 67,626,260) Ordinary shares	-	-
Par value of the shares	£ nil	£ nil

In April 2017, the Group raised a gross amount of €2,556,462 through the issue of 5,604,551 new ordinary shares of no par value ("Ordinary Shares") to new and existing investors.

During the year, a total of 191,827 new Ordinary Shares were issued by converting a payable amounting to €160,000 upon request of the creditor.

Furthermore, during the year a total of 996,021 new Ordinary Shares have been issued on exercising the same number of outstanding and vested options and warrants.

Note 18: Additional paid in capital

Additional paid in capital represents amounts subscribed for share capital in excess of nominal value.

Note 19: Reverse asset acquisition reserve

The reverse acquisition completed on 30 June 2016 has been accounted for as a share-based payment transaction which should be accounted for in accordance with IFRS 2. On the basis of the guidance in para 13A of IFRS 2, the difference in the fair value of the consideration shares and the fair value of the identifiable net assets should be considered to be payment for the services to transition to a public company. The excess consideration over fair value of net assets acquired has been recognised in the Statement of Comprehensive Income for the year.

Net assets acquired in 2016

Veltyco was in a net liabilities position as at the date of acquisition on 30 June 2016. Comparing this to the consideration paid a loss on acquisition equal to the net liabilities of Veltyco has been recorded. The Group recognises the net liabilities of the pre-merger Veltyco Group from the date of acquisition. As Veltyco didn't have any non-financial asset or liabilities at the date of acquisition, the carrying value of its assets and liabilities are considered their fair value.

The Reverse asset acquisition reserve has been calculated as follows:

	€
Additional paid in capital	(6,046,980)
Share capital Sheltyco Group	72
Reverse asset acquisition reserve	(6,046,908)

The expense in the Statement of Comprehensive Income has been calculated as follows:

	€
Share capital	-
Additional paid in capital	6,046,980
Combination reserve	2,999,953
Shares to be issued	120,763
Retained earnings	(10,723,594)
Total expense recorded in P&L for 2016	(1,555,898)

Note 20: Retained earnings

Retained earnings represents the cumulative net gains and losses recognised in the consolidated statement of comprehensive income and other transactions with equity holders.

Note 21: Share based payments

Equity-settled share option scheme
On 17 May 2016, the Company adopted a "long term incentive senior management and Directors' stock option plan" ("the Plan"). Options granted under the Plan will entitle the participant to acquire Ordinary Shares at a price determined in accordance with the rules of the Plan.

As at 31 December 2017, the following options have been granted under the Plan.

On 21 February 2014, David Mathewson was appointed Executive Chairman of the Board and was granted 240,000 options on Ordinary Shares, with an exercise price of £0.75 per share for all of the options. The Board renewed and repriced these options on 30 June 2016 to a new exercise price of £0.25 per share.

These options vest over 3 equal yearly instalments starting 1 year after the grant date provided that the participant remains a Director or employee of the company during this period. These options expire on 30 June 2019.

A total of 4,150,000 share options have a grant date of 30 June 2016, with an exercise price of £0.25 for all of the options. These options expire on its 5th anniversary on 30 June 2021. Further to this, 800,000 options have a grant date of 22 May 2017, with an exercise price of £0.25 for all of the options. These 800,000 options expire on its 5th anniversary on 22 May 2022. These options vest over 4 equal yearly instalments starting 1 year after grant date provided that the participant remains a Director or employee of the Company during this period.

At the time of the AGM in 2017, on 5 July 2017, the Board granted a further 1,200,000 options to certain Directors with an exercise price of £0.65 for all of the options. These options expire on its 5th anniversary on 5 July 2022. All options vest over 4 equal yearly instalments starting 1 year after the grant date provided that the participant remains a Director or employee of the company during this period.

During 2017, a total of 262,500 of these options have been exercised, all with an exercise price of £0.25 per share, for which the Company issued new Ordinary Shares. As a result of David Mathewson's resignation per 31 January 2018, a total of 390,000 options with an exercise price of £0.25 and 300,000 options with an exercise price of £0.65 were cancelled during the year. The Board agreed with David that his remaining 250,000 options with an exercise price of £0.25 were immediately exercisable and were exercised in February 2018.

As a result of the above the total of 5,437,500 options are outstanding at 31 December 2017.

Warrants
On 30 June 2016, the Company issued new Ordinary Shares in relation to funds raised and loans converted as part of the reverse merger and re-admission of the Group. As part of this fundraise and conversion, the Company issued 1 warrant for every 5 new Ordinary Share allotted pursuant to the conversion and subscription agreements, exercisable at £0.31 per warrant at any time during the period from the date of issue until the 5th anniversary of issue.

As a result of this a total of 758,221 warrants were issued on 30 June 2016. On 2 September 2016, the Company issued a further 175,798 warrants at the same conditions as part of completion of the subscription agreements in relation to the reverse merger.

Furthermore, on 30 June 2016, 500,000 existing warrants were converted into 20,000 warrants as part of the 25 to 1 consolidation of shares. These warrants have an exercise price of £0.75. These warrants can be exercised until 17 February 2019.

On 4 October 2017, the Company issued 109,846 warrants to Strand Hanson Ltd, on their appointment of being Nominated Adviser for the Company on 4 October 2017. These warrants have an exercise price of £0.895 per warrant and can be exercised during the period from the date of issue until the 5th anniversary.

During 2017, a total of 733,521 warrants with an exercise price of £0.31 per share have been exercised, for which the Company issued new Ordinary Shares.

As a result of the above a total of 330,344 warrants are outstanding at 31 December 2017.

Details of the share options and warrants outstanding during the period are as follows:

	Number of share options and warrants[1]	*Weighted average exercise price (£)*
Outstanding as at 1 January 2015	266,240	0.965
Exercisable as at 1 January 2015	2,080	9.625
Forfeited during 2015	(3,120)	9.625
Outstanding as at 31 December 2015	263,120	0.850
Exercisable as at 31 December 2015	82,080	1.075
Forfeited during 2016	(243,120)	9.625
Renewed on 30 June 2016	240,000	0.250
Options granted on 30 June 2016	4,150,000	0.250
Warrants granted on 30 June 2016	758,221	0.310
Warrants granted on 2 September 2016	175,798	0.310
Outstanding as at 31 December 2016	5,344,019	0.262
Exercisable as at 31 December 2016	954,019	0.319
Forfeited during 2017	(690,000)	0.424
Options granted on 22 May 2017	800,000	0.250
Options granted on 5 July 2017	1,200,000	0.650
Warrants granted on 5 October 2017	109,846	0.895
Warrants exercised on 21 July 2017	(733,521)	0.310
Options exercised on 18 September 2017	(262,500)	0.250
Outstanding as at 31 December 2017	5,767,844	0.314
Exercisable as at 31 December 2017	957,999	0.264

(1) The warrants, options and prices in this table have been adjusted to reflect the 25:1 consolidation of shares as executed on 30 June 2016.

The options outstanding as at 31 December 2017 had a weighted average remaining contractual life of 3.9 years. The value of the options has been derived by using a Black Scholes pricing model for the options granted on 22 May 2017 and granted on 5 July 2017. The inputs into the pricing models were as follows:

	Warrants granted on 30 June 2016	*Warrants granted on 2 September 2016*	*Options granted on 30 June 2016*	*Options granted on 22 May 2017*	*Options granted on 5 July 2017*
Share price at grant date	£0.20	£0.24	£0.20	£0.52	£0.62
Exercise price	£0.31	£0.31	£0.25	£0.25	£0.65
Volatility	26.3%	26.3%	26.3%	34.3%	34.3%
Expected life	5 years	5 years	5 years	5 years	5 years
Risk free rate	1.1%	1.1%	1.1%	2.51%	2.51%
Expected dividend yield	0%	0%	0%	0%	0%

As the Company has only been trading since 30 June 2016, the expected volatility for all options was determined by taking the average the Company's share price and the historical volatility of peer Group's over a 5-year period.

The total value of the warrants granted on 30 June 2016 as calculated above is €20,219. Of this amount, nothing has been charged in the financial statements for the year ended 31 December 2017 (2016: €20,219).

The total value of the warrants granted on 2 September 2016 as calculated above is €8,097. Of this amount, nothing has been charged in the financial statements for the year ended 31 December 2017 (2016: €8,097).

The total value of the options granted on 30 June 2016 is €173,129. Of this amount, €68,214 has been charged in the financial statements for the year ended 31 December 2017 (2016: €8,097). The remaining balance of €96,818 will be charged in the financial statements of the years ending 31 December 2018, 2019 and 2020.

The total value of the options renewed on 30 June 2016 is €8,000. Of this amount, €4,207 has been charged in the financial statements for the year ended 31 December 2017 (2016: €1,333). These options were cancelled during 2017. The remaining balance of €2,460 will be charged in the financial statements of 2018.

The total value of the options granted on 22 May 2017 is €287,272. Of this amount, €45,011 has been charged in the financial statements for the year ended 31 December 2017 (2016: nil). The remaining balance of €242,261 will be charged in the financial statements of the years ending 31 December 2018, 2019, 2020 and 2021.

The total value of the options granted on 5 July 2017 is €276,712. Of this amount, €121,653 has been charged in the financial statements for the year ended 31 December 2017 (2016: nil). The remaining balance of €155,059 will be charged in the financial statements of the years ending 31 December 2018, 2019, 2020 and 2021.

Note 22: Borrowings

	31 December 2017 €	31 December 2016 €
Other loans	350,000	-
Loan from a shareholder	27,108	26,358
Loan from a related party	978,115	-
	1,355,223	26,358

The other loans are unsecured and bear an interest rate of 3% per annum. During the first months of 2018, the Company has settled the other loans in full.

The loan from a shareholder is a long-term loan provided by the Company's main shareholder, Lensing Management Services Ltd ("Lensing"), a related party, indirectly owned and controlled by Uwe Lenhoff, amounting to €27,108 (2016: €26,358). This loan bears interest at 3% per annum and remains outstanding.

The loan from related parties was a loan to Bet 90 Sports Ltd, in which the Group has a 51% interest, provided by Winslet (the "Winslet Loan"), a company controlled by Uwe Lenhoff. The Winslet Loan was for an initial sum of up to €1.5 million and was made to the Group to accelerate the launch of www.Bet90.com, the Group's sports book which went live at the end of July 2017. The Winslet Loan was non-interest bearing, unsecured and for a term of two years. The quantum of the Winslet Loan subsequently increased to €2,466,806 and on 3 May 2018, the Group entered into a set-off agreement with Winslet (the "Set-off Agreement") pursuant to which the balance of the Winslet Loan was settled in full against a corresponding amount of trade receivables due from operators for whom Veltyco undertakes marketing activities in the online financial trading sector. As a result, the trade receivables reduced by an equivalent amount, resulting in the Set-off Agreement being cash neutral to the Group.

The only borrowings remaining as at the date of this report is the long-term loan provided by the Company's major shareholder, amounting to €27,108 including accrued interest.

Note 23: Trade and other payables

	31 December 2017 €	31 December 2016 €
Trade payables	558,111	469,884
Accrued expenses	239,630	382,106
Liabilities to customers	62,337	-
Corporation tax payable	739,470	10,506
Other creditors	188,589	165,653
	1,788,137	1,028,149

Note 24: Capital commitments

At 31 December 2017 and 31 December 2016 there were no capital commitments.

Note 25: Contingent liabilities

There were no contingent liabilities at 31 December 2017 or 31 December 2016.

Note 26: Operating Lease Commitments

The future aggregate minimum lease payments under non-cancellable operating leases as at 31 December 2017 and 31 December 2016 are as follows:

	31 December 2017 €	*31 December 2016* €
No later than 1 year	55,350	21,630
Later than 1 year and no later 5 years	84,108	46,865
Total	139,458	68,495

Note 27: Financial instruments – Fair Value and Risk Management

The Group is exposed through its operations to risks that arise from use of its financial instruments. The Board approves specific policies and procedures in order to mitigate these risks.

The main financial instruments used by the Group, on which financial risk arises, are as follows:

- Cash and cash equivalents;
- Trade and other receivables;
- Trade and other payables; and
- Customer deposits in case of the Bet90 operations.

Detailed analysis of these financial instruments is as follows:

Financial assets	**2017** **€**	**2016** **€**
Loans receivable (Note 14)	2,555,533	2,507,080
Trade and other receivables (Note 15)	11,881,469	2,602,338
Cash and cash equivalents (Note 16)	700,191	144,125
Total	15,137,193	5,253,543

In accordance with IAS 39, all financial assets are classified as loans and receivables except for financial assets measured at fair value through profit and loss investments, which are classified as investments.

Financial liabilities	**2017** **€**	**2016** **€**
Trade and other payables[1] (Note 23)	809,037	635,537
Accrued liabilities	239,630	382,106
Loans payable (Note 22)	1,355,223	26,358
Total	2,403,890	1,044,001

[1]Excludes taxes payable.

In accordance with IAS 39, all financial liabilities are held at amortised cost.

Capital

The capital employed by the Group is composed of equity attributable to shareholders. The primary objective of the Group is maximising shareholders' value, which, from the capital perspective, is achieved by maintaining the capital structure most suited to the Group's size, strategy, and underlying business risk. There are no demands or restrictions on the Group's capital.

The main financial risk areas are as follows:

Credit risk

Trade receivables

The Group's credit risk is primarily attributable to trade receivables, most of which are due from the Group's partners for which it operates the marketing activities and player acquisitions. These are third party companies that operate the websites. As the Group operates a limited number of brands the trade receivables are with a limited number of partners.

The risk is that a partner would fail to discharge its obligation with regard to the balance owed to the Group. The Group reduces this credit risk by monitoring the activity for these operations and arranging for the shortest possible cash settlement intervals. As the Group has ongoing relationships with its partners, the Directors have visibility on the activity in its partners' operations.

The Group considers that based on the factors above, on past experience and on the current agreements made, the operators it partners with are of good credit quality and there is a low level of potential bad debt. Accordingly, no provision for bad debt has been formed on recent trading activities.

For the Group's' own operations in Bet90, an additional credit risk relates to customers disputing charges made to their credit cards ("chargebacks") or any other funding method they have used in respect of the services provided by the Group. Customers may fail to fulfil their obligation to pay, which will result in funds not being collected. These chargebacks and uncollected deposits, when occurring, will be deducted at source by the payment service providers from any amount due to the Group. The risk for the year 2017 has been assessed by the Board to being immaterial.

Financial assets which are past due but not impaired

	2017				
	Not yet due	Up to 3 months over due	Up to 12 months over due	Over 1 year over due	Total
	€	€	€	€	€
Loans Receivable	1,864,336	-	-	691,197	2,555,533
Trade receivables	277,070	3,988,997	4,400,122	135,000	8,801,189
Accrued Income	2,742,568	-	-	-	2,742,568
Other receivables	337,712	-	-	-	337,712
Total	5,221,686	3,988,997	4,400,122	826,197	14,437,002

For further information, refer to the going concern disclosure in Note 1.

	2016				
	Not yet due	Up to 3 months over due	Up to 12 months over due	Over 1 year over due	Total
	€	€	€	€	€
Loans Receivable	2,507,080	-	-	-	2,507,080
Trade receivables	1,026,940	344,719	-	-	1,371,659
Accrued Income	1,033,497	-	-	-	1,033,497
Other receivables	197,182	-	-	-	197,182
Total	4,764,699	344,719	-	-	5,109,418

Liquidity risk
Liquidity risk exists where the Group might encounter difficulties in meeting its financial obligations as they become due. The Group monitors its liquidity in order to ensure that sufficient liquid resources are available to allow it to meet its obligations.

The following table details the contractual maturity analysis of the Group's financial liabilities:

	2017				
	On demand	In 3 months	Between 3 months and 1 year	More than 1 year	Total
	€	€	€	€	€
Trade and other payables[1]	809,037	-	-	-	809,037
Accrued liabilities	239,630	-	-	-	239,630
Loans payable	-	-	-	1,355,223	1,355,223
Total	1,048,667	-	-	1,355,223	2,403,890

[1]Excludes taxes payable.

	2016				
	On demand	In 3 months	Between 3 months and 1 year	More than 1 year	Total
	€	€	€	€	€
Trade and other payables[1]	635,537	-	-	-	635,537
Accrued liabilities	382,106	-	-	-	382,106
Loans payable	-	-	-	26,358	26,358
Total	1,017,643	-	-	26,358	1,044,001

[1]Excludes taxes payable.

Note 28: List of subsidiaries

The Company held the issued shares of the following subsidiary undertakings as at 31 December 2017:

Name of subsidiary	Place of Incorporation	Proportion of ownership and voting power	Ownership
Veltyco Ventures Ltd	Isle of Man	100%	Direct
Veltyco Services BV	The Netherlands	100%	Direct
Sheltyco Enterprises Group Ltd	British Virgin Islands	100%	Direct
Sheltyco Enterprises Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
Sheltyco Enterprises Marketing Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
Option888 Marketing Ltd	British Virgin Islands	100%	Indirect, through Sheltyco Enterprises Group Ltd
Silkline Marketing Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
Tunegames Marketing Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
Tunegames Holding Ltd	Cyprus	100%	Indirect, through Sheltyco Enterprises Group Ltd
T4U Marketing Ltd	Cyprus	51%	Indirect, through Sheltyco Enterprises Group Ltd
Quasar Holdings Ltd	Malta	51%	Indirect, through Veltyco Ventures Ltd
Bet90 Sports Ltd	Malta	51%	Indirect, through Quasar Holdings Ltd
Velmont Podgorica, MNE	Montenegro	100%	Indirect, through Veltyco Ventures Ltd

Note 29: Reconciliation of debt

The Group had the following movement in the borrowings:

	At 1 January 2017	*Cash*	*Other*	*At 31 December 2017*
	€	€	€	
Borrowings	26,358	1,328,865	-	1,355,223
	26,358	1,328,865	-	1,355,223

Note 30: Related party transactions

Remuneration of Directors and key employees
Remuneration of Directors and key employees is disclosed in Note 5.

Other related party transactions
The Group has recorded expenses totalling €241,929 to Softlot Software Services Ltd, a company controlled by Uwe Lenhoff. Softlot provides B2B services for lottery operations. Of these expenses, an amount of €755 (2016: €23,377) is still payable as of 31 December 2017.

Furthermore, the Group has a loan payable to the Company's main shareholder, Lensing, a company indirectly owned and controlled by Uwe Lenhoff, amounting to €27,108 (2016: €26,358). This loan bears an interest of 3% per annum.

The Group also entered into the Winslet Loan as detailed in Note 22

In addition, to the Winslet Loan, Winslet, a company controlled by Uwe Lenhoff, made certain payments to suppliers on behalf of the Group for, in aggregate, €104,976 between February to July 2017 (the "Pre-payment") (2016: €15,000), with the pre-paid amounts subsequently being settled by the Group, initially on a rolling basis, and in full during July 2017. There was no interest or costs charged by Winslet in respect of the Pre-payment (2016: nil).

Included within other debtors, the Group has a current account balance with certain Directors and Senior Management, amounting to €166,590 at 31 December 2017 (2016: €133,324 owed to Directors). This current account is interest free and has no specific repayment date. The current account exists to advance funds to the Directors for company expenses.

Payables to related parties
The Group had the following amounts payable to related parties:

	Year ended 31 December 2017	*Year ended 31 December 2016*
	€	€
Softlot	755	23,377
Loan from Lensing (Note 22)	27,108	26,358
Loan from Winslet (Note 22)[1]	978,115	-
Total	1,005,978	49,735

[1]has been repaid in full after year-end.

Intra group transactions
Transactions between Group companies have not been disclosed as these have all been eliminated in the preparation of the Consolidated Financial Statements.

Note 31: Ultimate controlling party

As at 31 December 2017 the Directors do not believe there to be any single controlling party.

Note 32: Post balance sheet events

Sportsbook partnership
Subsequent to the year end, the sportsbook operator, for whom the Group undertakes marketing activities, informed the Company that it would not be automatically extending its existing marketing agreement and that it would therefore end at the end of April 2018. The Company is pleased to confirm that following discussions between the parties, the Group and the sportsbook operator have agreed, subject to documentation, to further extend the existing agreement as well as to potentially expand the marketing relationship to include additional territories. In light of this and the upcoming FIFA World Cup in Russia starting in mid-June 2018, the Group continues to provide marketing activities to the sportsbook operator.

Varkasso Limited
On 17 January 2018 the Company announced that it had entered into an agreement to acquire 51% of the issued capital in Varkasso Limited ("Varkasso"), a company that has the exclusive rights to use 8Crypt, a software platform providing crypto wallet solutions based on blockchain technology.

8Crypt has been developed by the founder and shareholder of Varkasso, with the aim of providing end-users with a broad range of services in relation to their crypto assets from one location, from which they are able to manage, trade (buy, sell, exchange) and accept both traditional and crypto currencies. 8Crypt enables users to connect their crypto wallet directly to both traditional and crypto currencies, seamlessly providing and accepting payments from debit and credit cards and bank transfers for traditional currencies and well-known blockchain platforms such as Bitcoin, Ethereum and LiteCoin for crypto currencies.

Veltyco plans to incorporate 8Crypt's crypto wallet across each of the platforms of Veltyco's various partners, including Veltyco's own site Bet90.com, thereby allowing customers access to each platform from one wallet without having to make separate deposits on each of the individual platforms. Furthermore, once incorporated into its partners' platforms, the Board believes that is will enhance the Company's ability to cross-sell the different platforms to its customer base.

Veltyco agreed to acquire a 51% interest in Varkasso for a total consideration of €300,000 satisfied through the issue of 100,000 new Ordinary Shares and a cash consideration of €200,000.

The Board are currently awaiting the information required to assess the fair value of assets acquired and resultant goodwill for this acquisition. As such, disclosures required under IFRS 3 in respect of these items cannot be given at this stage and will be reported in the year ending 31 December 2018 accounts.

Exercise of stock options
On 16 February 2018, a total of 325,000 options were exercised. These options had an exercise price of £0.25 per share. After this exercise, a total of 74,768,659 Ordinary Shares are in issue.

eSports.com
On 15 March 2018, the Company announced that it had extended its partnership with eSports.com and entered into and a joint venture with eSports.com to join forces in a blockchain project.

The purpose of the project is to create an infrastructure to bring members and/or customers of communities (sports, gaming, playing) to a fully transparent technological platform. The platform will seek to transfer data such as know your client regulated information, but also historical data, in a decentralised manner and could, in the future, be combined with automated payments.

It is proposed that eSports.com AG, the parent company of eSports.com, and Veltyco will each have a 50% interest in the joint venture and will provide equal funding to the project.

Frankfurt secondary listing
On 11 January 2018, the Group announced that MWB Fairtrade Wertpapierhandelsbank AG, a German securities broker, had successfully applied for a secondary listing of Veltyco's Ordinary Shares to start trading on the Quotation Board Segment of the Open Market of the Frankfurt Stock Exchange ("FSE"), also known as the Regulated Unofficial Market of the FSE, or Freiverkehr. Accordingly, the Ordinary Shares of Veltyco are now also tradable on the FSE under the symbol 24GN. The entire issued ordinary share capital of the Company continues to trade on the AIM market of the London Stock Exchange under the symbol VLTY.

Acquisition of Marsovia Holdings Ltd (database)
On 25 May 2018, the Company announced it that it has entered into an agreement with Altair to acquire the entire issued share capital of Marsovia. This acquisition is the first step in the Group seeking to launch a new regulated brand, active in the online financial trading sector. Marsovia holds a database of approximately 43,500 customers, of which approximately 26,000 are considered to be active, in the online financial trading sector.

The total consideration for this transaction amounted to €4.0 million and was offset against the existing indebtedness of, in aggregate, approximately €2.6 million pursuant to certain loans provided by the Group to Altair and certain trade receivables of approximately €1.4 million resulting from the existing marketing agreements with Altair, resulting in this acquisition being cash neutral for Veltyco.

At the same time, the Directors confirmed that the existing marketing agreements for various brands in the online financial trading sector will continue for at least a further three years.

The Board are currently awaiting the information required to assess the fair value of assets acquired and resultant goodwill for this acquisition. As such, disclosures required under IFRS 3 in respect of these items cannot be given at this stage and will be reported in the year ending 31 December 2018 accounts.

Offset agreement
On 3 May 2018, the Group entered into the Set-off Agreement with Winslet, a company controlled by Uwe Lenhoff, pursuant to which the balance of the Winslet Loan, amounting to €2.5 million, was settled in full against a corresponding amount of trade receivables from operators for whom Veltyco undertakes marketing activities in the online financial trading sector. As a result, the trade receivables reduced by an equivalent amount, resulting in the Set-off Agreement being cash neutral to the Group.
