ZATRIX HOLDINGS LIMITED

DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 DECEMBER 2017

Company Registration No: C42257

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REPORT OF THE DIRECTORS
for the year ended 31 DECEMBER 2017

Accounts

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

Principal activity

The principal activity of the company is that of a holding company.

Results

The results for the year show a loss after tax of €18,403,740 (2016: loss of €2,483,239) for the group and a loss of €25,697,379 (2016: loss of €8,174) for the company as shown in the statement of comprehensive income on page 3.

Dividends

No interim dividend (2016: €715,000) has been paid during the year. The directors do not recommend the payment of a final dividend. The final dividend for the year 2016 of €1,350,000 was paid during the year 2017.

Directors

The directors of the company are:

Kenneth Micallef	***Appointed 17th November 2017***
Centric Holdings S.A.	***Appointed 17th November 2017***
Ioannis Kapodistrias	***Resigned 17th November 2017***
Rodolfo Odoni	***Resigned 17th November 2017***

Under the provisions of the company's Memorandum and Articles of Association, the present directors continue in office.

Auditors

BDO Malta have expressed their willingness to continue in office. A resolution will be submitted to the Annual General Meeting to re-appoint BDO Malta as auditors to the company.

The directors' report was approved by the board of directors and was signed on its behalf by:

Kenneth Micallef
Director

Rodolfo Odoni
o.b.o Centric Holdings S.A.
Director

Bella Vista Court B, Flat 14,
Bella Vista Street,
San Gwann SGN 2698
Malta

27 April 2018

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING
for the year ended 31 DECEMBER 2017

The Directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of each financial period and of its profit or loss for that period. In preparing the financial statements, the Directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal controls relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act 1995. 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.

ZATRIX HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 DECEMBER 2017

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Notes	€	€	€	€
Revenue		-	-	-	-
Administrative expenses	2	(337,132)	(83,804)	(9,657)	(8,174)
Operating loss		(337,132)	(83,804)	(9,657)	(8,174)
Investment income	3	(206,671)	596,804	(25,687,722)	-
Interest payable	4	-	(18)	-	-
Interest receivable	5	17,212	27,761	-	-
(Loss)/profit before taxation		(526,591)	540,743	(25,697,379)	(8,174)
Taxation	6	(4,955)	(6,043)	-	-
(Loss)/profit for the year from continuing operations		(531,546)	534,700	(25,697,379)	(8,174)
Loss on discontinued operation, net of tax	7	(17,872,194)	(3,017,939)	-	-
Total comprehensive loss		**(18,403,740)**	**(2,483,239)**	**(25,697,379)**	**(8,174)**

The accounting policies on pages 8 to 13 and the notes on pages 14 to 24 form part of the financial statements.

Audit report pages 25 to 27.

ZATRIX HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the year ended 31 DECEMBER 2017

		Group		Company	
		2017	2016	2017	2016
	Notes	€	€	€	€
ASSETS					
Non-current assets					
Intangible assets	9	-	28,695,868	-	-
Available for sale investment	10	2	2	-	-
Finanacial assets	11	-	-	1	22,501,200
Investments in associates	12	3	3	-	-
Loan receivable	13	600,001	1,052,526	-	-
		600,006	29,748,399	1	22,501,200
Current assets					
Trade and other receivables	14	1,571,830	572,218	4,878,860	9,426,054
Held for trading financial asset	15	919,469	1,202,636	-	-
Current taxation		-	2,976	2,976	2,976
Cash and cash equivalents	19	10,095,857	658,453	-	-
Total current assets		12,587,156	2,436,283	4,881,836	9,429,030
Total assets		13,187,162	32,184,682	4,881,837	31,930,230

The equity and liabilities section is continued on page 5.

The accounting policies on pages 8 to 13 and the notes on pages 14 to 25 form part of the financial statements.

Audit report pages 26 to 28.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
for the year ended 31 DECEMBER 2017
(Continued)

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Notes	€	€	€	€
EQUITY AND LIABILITIES					
Capital and reserves					
Called up issued share capital	16	22,501,200	22,501,200	22,501,200	22,501,200
Other reserves	17	-	19,234	-	-
Retained earnings		(17,327,901)	2,390,797	(17,632,400)	9,414,979
		5,173,299	24,911,231	4,868,800	31,916,179
Current liabilities					
Trade and other payables	18	7,999,135	7,183,013	13,037	14,051
Current taxation		14,728	90,438	-	-
Total current liabilities		8,013,863	7,273,451	13,037	14,051
Total equity and liabilities		13,187,162	32,184,682	4,881,837	31,930,230

The financial statements were approved by the Board of Directors on 27 April 2018 and signed on its behalf by:

Kenneth Micallef
Director

Rodolfo Odoni
o.b.o Centric Holdings S.A.
Director

The accounting policies on pages 8 to 13 and the notes on pages 14 to 24 form part of the financial statements.

Audit report pages 25 to 27.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 DECEMBER 2017

	Share Capital	Other Reserves	Retained earnings	Total
	€	€	€	€
Group				
At 1 January 2016	22,501,200	19,234	5,589,036	28,109,470
Comprehensive income				
Loss for the year	-	-	(2,483,239)	(2,483,239)
Transaction with owners				
Dividends paid	-	-	(715,000)	(715,000)
At 31 December 2016	22,501,200	19,234	2,390,797	24,911,231
Comprehensive income				
Loss for the year	-	-	(18,403,740)	(18,403,740)
Liquidation of subsidiary	-	(19,234)	35,042	15,808
Transaction with owners				
Dividends paid	-	-	(1,350,000)	(1,350,000)
At 31 December 2017	22,501,200	-	(17,327,901)	5,173,299
Company				
At 1 January 2016	22,501,200	-	10,138,153	32,639,353
Comprehensive income				
Loss for the year	-	-	(8,174)	(8,174)
Transaction with owners				
Dividends paid	-	-	(715,000)	(715,000)
At 31 December 2016	22,501,200	-	9,414,979	31,916,179
Comprehensive income				
Loss for the year	-	-	(25,697,379)	(25,697,379)
Transaction with owners				
Dividends paid	-	-	(1,350,000)	(1,350,000)
At 31 December 2017	22,501,200	-	(17,632,400)	4,868,800

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 DECEMBER 2017

		Group		Company	
		2017	2016	2017	2016
	Note	€	€	€	€
Cash flows from operating activities					
Operating loss		(337,132)	(83,804)	(9,657)	(8,174)
Adjustment for:					
Exchange difference		210,127	(6,420)	-	-
Operating loss before working capital changes		(127,005)	(90,224)	(9,657)	(8,174)
Movement in working capital					
Trade and other receivables		(1,024,428)	2,464,521	1,360,671	718,319
Trade and other payables		816,122	3,397,760	(1,014)	4,855
Cash (used in)/generated from operating activities		(335,311)	5,772,057	1,350,000	715,000
Dividend paid		(1,350,000)	(715,000)	(1,350,000)	(715,000)
Interest paid		-	(18)	-	-
Interest receivable		17,212	27,761	-	-
Taxation paid		(77,689)	(497,377)	-	-
Loss on sale of discontinued operations		(206,010)	(3,011,230)	-	-
Net cash (used in)/generated from operating activities		(1,951,798)	1,576,193	-	-
Cash flow from investing activities					
Purchase of financial assets		-	(1,080,637)	-	-
Purchase of investments		(410,863)	(295,880)	-	-
Repayment loan receivable		-	301,018	-	-
Sale of investment		754,573	154,000		
Disposal of discontinued operations		11,045,492	-	-	-
Net cash generated from/(used in) investing activities		11,389,202	(921,499)	-	-
Net increase in cash and cash equivalents		9,437,404	654,694	-	-
Cash and cash equivalents at beginning of year		658,453	3,759	-	-
Cash and cash equivalents at end of year	19	10,095,857	658,453	-	-

Cash flows from discontinued operation are disclosed in Note 7.

1. Basis of preparation of financial statements

The consolidated financial statements including the financial statements of Zatrix Holdings Limited and its subsidiaries are prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as adopted by the European Union, under the historical cost convention.

The reporting currency used for the preparation of the financial statements is the Euro (€), which is the currency in which the company's share capital is denominated.

The preparation of financial statements in conformity with IFRSs requires the use of certain accounting estimates. It also requires director to exercise their judgement in the process of applying the company's accounting policies (see Note 1 – Critical accounting estimates and judgements).

a) New standards, interpretations and amendments effective from 1 January 2017

The following new standards, amendments and interpretations are effective for the first time in these financial statements but none have had a material effect on the company:

- Amendments to IAS 7: Disclosure Initiative (issued on 29/01/2016, effective from the year beginning on 01/01/2017)
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (issued on 19/01/2016, effective from the year beginning on 01/01/2017)

The applications of these new standards and amendments has had no impact on the disclosures or amounts recognized in the company's financial statements, although an amendment to IAS 7 has resulted in a reconciliation of liabilities disclosed for the statement of cash flows.

b) New standards, interpretations and amendments as adopted by EU but not yet effective

The following new standards, interpretations and amendments, which have not been applied in these financial statements, will or may have an effect on the company's future financial statements:

- Improvements to IFRSs 2014-2016 (issued on 08/12/2016, effective from year beginning on 01/01/2018)
- IFRS 9 Financial Instruments (issued on 24/07/2014, effective from year beginning on 01/01/2018)
- IFRS 15 Revenue from Contracts with Customers (issued on 28/05/2014, effective from the year beginning 01/01/2018)
- IFRS 16 Leases (issued on 13/01/2016, effective from the year beginning 01/01/2019)
- IFRIC 22: Foreign Currency Transactions and Advance Consideration (issued on 08/12/2016, effective from the year beginning on 01/01/2018)
- Clarification to IFRS 15: Revenue from Contracts with Customers (issued on 12/04/2016, effective from the year beginning on 01/01/2018)
- Amendments to IAS 40: Transfers to Investment Property (issued on 08/12/2016, effective from the year beginning on 01/01/2018)
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (issued on 20/06/2016, effective for the year beginning on 01/01/2018)
- Amendments to IFRS 4: Applying IFRS 9 with IFRS 4 (issued on 12/07/2016, effective for the year beginning on 01/01/2018)
- Amendments to IFRS 9: Prepayment Features with Negative Compensation (issued on 12/10/2017, effective for the year beginning on 01/01/2019)

The effects of IFRS 15 Revenues from Contracts with Customers, IFRS 16 Leases and IFRS 9 Financial Instruments are still being assessed, as these new standards may have a significant effect on the company's future financial statements. The company will assess the impact that the adoption of these and other Financial Reporting Standards will have in the financial statements of the company in the period of initial application.

1. Basis of preparation of financial statements (Continued)

c) New standards, interpretations and amendments issued by IASB but not yet adopted by EU

- Improvements to IFRSs 2015-2017 (issued on 12/12/2017, effective from year beginning on 01/01/2019)
- IFRS 17 Insurance Contracts (issued on 18/05/2017, effective from the year beginning on 01/01/2021)
- IFRIC 23: Uncertainty over the Income Tax Treatments (issued on 07/07/2017, effective from year beginning on 01/01/2019)
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement (issued on 07/02/2018, effective from the year beginning on 01/01/2019)
- Amendments to IAS 28: Long-term Interest in Associates and Joint Ventures (issued on 12/10/2017, effective from the year beginning on 01/01/2019)
- Amendments to References to the Conceptual Frameworks in IFRS Standards (issued on 29/03/2018, effective from the year beginning on 01/01/2020)

The company has not early adopted all these revisions to the requirements of IFRSs and the company's director is of the opinion that there are no requirements that will have a possible significant impact on the company's financial statements in the period of initial application.

d) New standards, interpretations and amendments issued by IASB but not adopted by EU

- IFRS 14 Regulatory Deferral Accounts (issued on 30/01/2014, effective from the year beginning 01/01/2016) – European Commission has decided not to endorse the standard
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between Investor and its Associate or Joint Venture (issued on 11/09/2014, effective from the year beginning 01/01/2016) – postponed indefinitely by European Commission

The directors will assess the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the company in the period of initial application.

2. Consolidation

Subsidiary undertakings, which are those companies in which the Group, directly or indirectly, has an interest of more than one half of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal. All intercompany transactions between group companies are eliminated. Where necessary, accounting policies for subsidiaries are changed to ensure consistency with the policies adopted by the Group. The entities that have been consolidated are listed down in note 22.

3. Revenue recognition

Sales are recognised upon performance of services. Dividend income is recognised when the shareholder's right to receive payment is established. Interest income is recognised on a time proportion basis.

Sport and virtual games online gaming revenue comprises bets placed less pay-outs to customers. Poker online gaming revenue represents the commission charged from each peker hand in ring games and entry fees on tournaments.

4. Foreign currencies

The company maintains its accounting records in Euro (€). Transactions denominated in other currencies are converted at the rate ruling on date of the transaction. Assets and liabilities expressed in other currencies are converted at the date ruling on the date of the statement of financial position. Any profit or loss on exchange arising is credited or charged to the statement of comprehensive income.

5. Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that the tax arises from a transaction or event which is recognised directly in equity, in which case it is recognised in equity.

Current tax is based on the taxable profit for the year, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to the investment in subsidiary to the extent that the Company is able to control the timing of the reversal of temporary future. Deferred tax assets for the unused tax losses carry forward are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

6. Financial assets

Long term investments are classified as financial assets. Investments in subsidiary undertakings are accounted for by the cost method of accounting. The results of subsidiary undertakings are reflected in these financial statements only to the extent of dividends receivable.

Where the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognised in the consolidated statement of financial position at cost. Subsequently associates are accounted for using the equity method, where the Group's share of post-acquisition profits and losses and other comprehensive income is recognised in the consolidated statement of profit and loss and other comprehensive income (except for losses in excess of the Group's investment in the associate unless there is an obligation to make good those losses).

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Other long term investments are classified as available-for-sale investments. Available-for-sale investments are investments intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or changes in interest rates. These investments are included under financial assets unless management has the express intention of holding the invesment for less than one year from the balance sheet date. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognised on the settlement date, which is the date that the company commits to purchase or sell the asset. All investments are initially recorded at their fair value. Available for sale investments are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of available-for-sale investments are taken to equity in the period in which they arise.

Provisions are recorded where, in the opinion of the directors, there is a long term impairment in the carrying value of any investments or loans not carried at fair values, and are recognised as an expense in the period in which the impairment is identified.

7. Available-for-sale

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the company's strategic investments in entities, qualifying as subsidiaries, associates or jointly controlled entities in separate financial statements of the company. They are carried at fair value with changes in fair value, other than those arising due to exchange rate fluctuations and interest calculated using the effective interest rate, recognised in other comprehensive income and accumulated in the available-for-sale reserve. Exchange differences on investments denominated in a foreign currency and interest calculated using the effective interest rate method are recognised in profit or loss.

Where there is a significant or prolonged decline in the fair value of an available for sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognised in other comprehensive income, is recognised in profit or loss.

8. Loans receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally types of contractual monetary asset.

9. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and the default or delinquency in payment are considered indicators that the debtors are impaired. When a debtor is uncollectible, it is written off against the profit and loss account. Subsequent recoveries of the amounts previously written off are credited in the income statement.

10. Trade and other payables

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

11. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

12. Financial risk management

12.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk) credit risk and liquidity risk. The financial risks relate to the following financial instruments: financial assets, debtors, cash and cash equivalents and trade and other creditors. The accounting policies with respect to these financial instruments are described above.

Risk management is carried out by a Board of Directors under policies approved at the AGM. The Board of Directors identifies and evaluates financials risks in close co-operation with the company's operating units. The Board provides principles for overall risk management.

12. Financial risk management (continued)

The reports on the risk management are produced periodically to the key management personnel of the company.

(a) Market risk

(i) Foreign exchange risk

The company is not exposed to foreign exchange risk. The group has an investment in Blue Water Maritime Limited and a loan receivable, nominated in USD. The open position as at the year end and the effect on the company's performance is the following:

	2017	2016
	€	€
Unrealised forex (loss)/gain at the year end	(201,240)	8,885
(Loss)/gain for the year	(210,127)	6,420

(ii) Price risk

The company is exposed to market risk with respect to financial instruments as it holds equity securities whose realisable value is subject to changes in performance, exchange fluctuations and other market influences both economic and political. The directors manage this risk by reviewing on a regular basis market value fluctuations arising on the company's investments.

(iii) Cash flow and fair value interest rate risk

The company has liabilities at fixed rates of interest and its expenses and operating cash flows are exposed to changes in market interest rates.

The company's cash flow and fair value interest rate risk is periodically monitored by the Board of Directors. The cash flow and fair value risk policy is approved by the Board of Directors.

Debtors and trade and other creditors are interest free and have settlement dates within one period.

A sensitivity analysis is normally based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated – for example, change in exchange rates and change in market values.

In the case of the company it provides for the worst scenario by providing for any necessary provisions on any investments not valued at fair values and which may be potentially impaired.

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade receivables and amounts due from group undertakings. The company's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	Group 2017	Group 2016	Company 2017	Company 2016
	€	€	€	€
Loans and receivables category:				
Trade and other receivables	702,812	136,793	-	48,688
Cash and cash equivalents	10,095,857	658,453	-	-
	10,798,669	795,246	-	707,141

12. Financial risk management (continued)

The company seeks to manage this risk by only undertaking transactions with reputable counterparties. The company's cash is placed with quality financial institutions. Debtors are shown net of a provision for doubtful debts.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash flow for operations. The company manages its' risk to shortage of funds by monitoring forecast and actual cash flows.

12.2 Capital management

The directors of the company monitor on an ongoing basis the equity, debt and overall capital position of the company as a whole.

12.3 Fair value estimation

Cash and cash quivalents, debtors and trade and other creditors mainly have short times to maturity. For this reason, their carrying amounts at the reporting date approximate the fair values.

1. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

2. Expenditure

I Administrative expenses

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Accountancy fee	23,500	23,956	-	-
Audit fee	21,630	19,830	4,130	4,130
Bank charges	5,198	5,968	-	-
Donation	6,728	5,910	-	-
Fines and penalties	2,617	8,222	50	81
Internet expenses	21,524	22,945	-	-
Legal and professional fees	3,643	2,289	3,643	2,289
Postage and courier	477	430	43	30
Printing and stationery	518	250	118	-
Realised exchange differences	7,578	3,530	-	-
Registration fees	2,800	2,800	1,400	1,400
Rent	546	518	273	244
Telecommunications	1,630	-	-	-
Unrealised exchange differences	238,743	(12,844)	-	-
	337,132	83,804	9,657	8,174

3. Investment income

This represents dividends received from shares in group undertakings and from other investments.

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Gain on disposal of investment	94,573	14,000	-	-
Provision for impairment (loss)/gain on financial assets and loan receivables	(422,553)	1,223,168	(25,687,722)	-
Unrealised fair value gain/(loss) on investment	121,309	(640,364)	-	-
	(206,671)	596,804	(25,687,722)	-

4. Interest payable

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Bank interest payable	-	18	-	-

5. Interest receivable

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Loan interest receivable	17,212	27,761	-	-

6. Taxation

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Current tax expense	4,955	6,043	-	-
Deferred tax expense	-	-	-	-
	4,955	6,043	-	-

The tax on the loss before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	€	€	€	€
(Loss)/profit before tax	(526,591)	540,743	(25,697,379)	(8,174)
Tax on (loss)/profit at 35%	(184,307)	189,260	(8,994,083)	(2,861)
Tax effect of:				
Expenses not deductible for tax purposes	3,062	29,771	3,380	2,861
Flat rate foreign tax credit	(2,797)	(4,511)	-	-
Temporary differences not provided for	188,997	(208,477)	8,990,703	-
Tax charge	4,955	6,043	-	-

7. Discontinued Operations

In September 2017, Vista Online Limited sold assets, as part of the Group's disposal of its intellectual property and the relevant elements of the Zatrix business, for a cash consideration of € 14,445,000.

The post-tax loss on disposal of discontinued operations was determined as follows:

7. Discontinued Operations (continued)

	2017	2016
	€	€
Cash consideration received	14,445,000	-
Compensation payable	(3,399,508)	-
Net cash inflow on disposal of discontinued operation	**11,045,492**	**-**
Net assets disposed:		
Financial assets	(28,711,676)	-
Pre-tax loss on disposal of discontinued operation	(17,666,184)	-
Related tax expense	-	-
Loss on disposal of discontinued operation	(17,666,184)	-

The post-tax loss on disposal of discontinued operations was determined as follows:

Result of discontinued operations	**2017**	**2016**
	€	€
Turnover	987,806,732	736,904,084
Expenses other than finance costs	(988,012,742)	(739,915,314)
Tax expense	-	(6,709)
Loss from selling discontinued operations after tax	(17,666,184)	-
Loss for the year	(17,872,194)	(3,017,939)

8. Dividends per share

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Ordinary shares	0.06	0.03	0.06	0.03

9. Intangible assets

	Group
	Goodwill
	€
Cost	
At 1 January 2017	28,695,868
Disposal of subsisdiary	(28,695,868)
At 31 December 2017	-

10. Available-for-sale investments

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
At beginning of year	2	1	-	-
Addition	-	295,880	-	-
Fair value loss on investment	-	(295,879)	-	-
At end of year	2	2	-	-

Available-for-sale investments include 17% ordinary shares in Abigail Navigation and 10% ordinary shares in Galene Navigation Company both companies registered in Marshall Islands.

The investment in Abigail Navigation and Galene Navigation amounts to €2 (2016: €2). This amount is shown net of a provision for impairment of €726,813 (2016: €726,813).

11. Financial assets

	Company
	Shares in group undertaking
	€
Cost	
At 31 December 2016	22,501,200
Provision for impairment	(22,501,199)
At 31 December 2017	1

The group undertaking as at 31 December 2017 is shown below:

Group undertakings

Name and registered office	Class of shares	% holding
Zatrix Limited Bella Vista Court B, Flat 14, Bella Vista Street, San Gwann Malta	Ordinary shares	100%

Indirect subsidiaries included in these consolidated financial statements are disclosed in the Note 22.

12. Investments in associates

	Group	
	Shares in associated undertaking	
	2017	2016
	€	€
Cost		
At beginning of year	3	328,271
Fair value loss on investments	-	(328,268)
At end of year	3	3

12. Investments in associates (continued)

The associated undertaking as at 31 December 2017 are shown below:

Associate undertaking

Name and registered office	Class of shares	% holding
Dalliance Enterprises Co. Ajeltake Road, Ajeltake Islands, Majuro, Marshall Islands MH96960	Ordinary shares	26%
Jasmine Holdings Ltd Ajeltake Road, Ajeltake Islands, Majuro, Marshall Islands MH96960	Ordinary shares	26%
Satin Finance Limited Ajeltake Road, Ajeltake Islands, Majuro, Marshall Islands MH96960	Ordinary shares	26%

13. Loan receivable

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
At beginning of year	1,052,526	1,334,821	-	-
Repayment of loan	-	(301,018)	-	-
Exchange difference on loan receivable	(54,788)	18,723	-	-
Impairment provision	(397,737)	-	-	-
At end of year	600,001	1,052,526	-	-

Included with the above loans receivable is an amount of EUR 600,000 (2016: EUR 600,000) which bears interest at 3 month EURIBOR plus 2.5% per annum.

The remaining EUR 1 (2016: EUR 452,526) carried an interest rate of 2% per annum. This amount is stated net of provision for impairment of EUR 397,737 (2016: EUR Nil).

All loan receivables are unsecured and due after more than one year.

14. Trade and other receivables

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Due within one year				
Amounts owed by related parties	85,000	85,000	8,064,781	9,426,054
Less provision for impairment	-	-	(3,186,523)	-
	85,000	85,000	4,878,258	9,426,054
Trade receivables	4,000	-	-	-
Accrued income and prepayments	869,018	435,425	602	-
Other receivables	-	51,033	-	-
VAT recoverable	613,812	760	-	-
	1,571,830	572,218	4,878,860	9,426,054

The amounts owed by related parties are unsecured, interest-free and have no fixed date of repayment.

15. Held for trading financial assets

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
At beginning of year	1,202,636	914,665	-	-
Addition	410,863	1,080,637	-	-
Disposal of investment	(660,000)	(140,000)	-	-
Exchange difference	(155,339)	(12,302)	-	-
Fair value gain on investmen	121,309	(640,364)	-	-
At end of year	919,469	1,202,636	-	-

During 2017, the group disposed of a stock portfolio account listed on the Greek stock exchange. The company also holds an investment in Blue Water Maritime Limited, fund registered in Ireland.

Both investments are shown at fair value including gain for the year of €121,309 (2016: loss of €640,364).

16. Share capital

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Authorised:				
22,999,999 'A' ordinary shares of € 1 each	22,999,999	22,999,999	22,999,999	22,999,999
1 'B' ordinary share of € 1 each	1	1	1	1
	23,000,000	23,000,000	23,000,000	23,000,000
Issued and fully paid up:				
22,501,199 'A' ordinary shares of € 1 each	22,501,199	22,501,199	22,501,199	22,501,199
1 'B' ordinary share of € 1 each	1	1	1	1
	22,501,200	22,501,200	22,501,200	22,501,200

The holders of ordinary "A" shares shall have the right (i) to receive notice of and to attend all General Meetings of the Company and (ii) to vote on all Ordinary and Extraordinary Resolutions of the Company. The holders of ordinary "B" shares shall have the right to receive notice of and to attend all General Meetings of the Company, but shall not have the right to vote on any resolutions.

The holders of ordinary "A" shares shall have the right to receive dividends and to participate in the profits of the Company. The holders of ordinary "B" shares shall not have the right to receive any dividend or to participate in the profits of the Company.

17. Other reserves

	Group
	Non-distributable reserve
	€
At 1 January 2017	19,234
Disposal of subsidiary	(19,234)
At 31 December 2017	-

18. Trade and other payables

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Due within one year				
Trade payables	1,611,832	1,307,741	2,266	98
Accruals	59,945	81,558	10,771	13,953
Amounts owed to related parties	4,177,974	1,608,485	-	-
Other payables	2,149,384	4,185,229	-	-
	7,999,135	7,183,013	13,037	14,051

The amounts due to related parties are unsecured, interest-free and have no fixed date of repayment.

19. Cash and cash equivalents

For the purpose of the cash flow statement, the year end cash and cash equivalents comprise the following:

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Cash at bank	10,095,857	658,453	-	-

20. Related party transactions

Transactions entered into with other group undertakings, and with companies with common beneficial shareholders, are considered to be related party transactions. All transactions with related parties are made on an arm's length basis. Transactions with related parties during the year consisted of the following:

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Due from related parties	85,000	85,000	4,878,258	9,426,054
Due to related parties	4,177,974	1,608,485	-	-

21. Statutory information

Zatrix Holdings Limited is a limited liability company and is incorporated in Malta.

The parent and the ultimate parent company of Zatrix Holdings Limited is Centric Holdings S.A., a listed company registered in Greece, with its registered address at 20 Makriyanni St., 183 44, Athens, Greece. Copies of consolidated financial statements can be obtained from it's registered office.

On the opinion of the directors, there is no ultimate controlling party of the group.

22. Consolidated entities

These financial statements contain the consolidated results of the following companies:

Zatrix Holdings Limited
Bella Vista Court B, Flat 14,
Bella Vista Street,
San Gwann Malta

Zatrix Limited
Bella Vista Court B, Flat 14,
Bella Vista Street,
San Gwann Malta

Flyer International S.A – results till the date of liquidation on 23/12/2017

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Zatrix Holdings Limited

Report on the Audit of the Financial Statements

We have audited the consolidated and stand-alone financial statements of Zatrix Holdings Limited (the «Company») with its subsidiaries (the «Group») set out on pages 3 to 25, which comprise the consolidated and stand-alone statements of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Zatrix Holdings Limited
(continued)

Responsibilities of the Directors

As explained more fully in the Statements of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Zatrix Holdings Limited
(continued)

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

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

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- The information given in the directors' report is not consistent with the financial statements.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

BDO Malta
Certified Public Accountants
Registered Audit Firm

Tower Gate Place, Tal-Qroqq Street
Msida MSD 1703
Malta

27 April 2018

DETAILED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 DECEMBER 2017

		Group		Company	
		2017	**2016**	**2017**	**2016**
	Schedule	€	€	€	€
Expenditure					
Administrative expenses	I	(337,132)	(83,804)	(9,657)	(8,174)
Operating loss		(337,132)	(83,804)	(9,657)	(8,174)
Investment (loss)/income	II	(206,671)	596,804	(25,687,722)	-
Interest payable		-	(18)	-	-
Interest receivable		17,212	27,761	-	-
(Loss)/profit before taxation		(526,591)	540,743	(25,697,379)	(8,174)

I Administrative expenses

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Accountancy fee	23,500	23,956	-	-
Audit fee	21,630	19,830	4,130	4,130
Bank charges	5,198	5,968	-	-
Donation	6,728	5,910	-	-
Fines and penalties	2,617	8,222	50	81
Internet expenses	21,524	22,945	-	-
Legal and professional fees	3,643	2,289	3,643	2,289
Postage and courier	477	430	43	30
Printing and stationery	518	250	118	-
Realised exchange differences	7,578	3,530	-	-
Registration fees	2,800	2,800	1,400	1,400
Rent	546	518	273	244
Telecommunications	1,630	-	-	-
Unrealised exchange differences	238,743	(12,844)	-	-
	337,132	83,804	9,657	8,174

II Investment income

	Group		Company	
	2017	2016	2017	2016
	€	€	€	€
Gain on disposal of investment	94,573	14,000	-	-
Provision for impairment (loss)/gain on financial assets and loan receivables	(422,553)	1,223,168	(25,687,722)	-
Unrealised fair value gain/(loss) on investment	121,309	(640,364)	-	-
	(206,671)	596,804	(25,687,722)	-