

**EUMBRELLA CORPORATION
(INTERNATIONAL) PUBLIC LIMITED**

CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2018

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

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EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Christakis Ierides George Rousou Antonis Karitzis
Company Secretary	Karanto Secretarial Limited
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors Jean Nouvel Tower 6 Stasinou Avenue PO Box 21656 1511 Nicosia, Cyprus
Registered office	Archiepiskopou Makariou III, 228 Agios Pavlos Court, Block B' 4th floor, Flat 411-412 3030, Limassol, Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Hellenic Bank Public Company Ltd
Registration number	C359049

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

Statement of the Members of the Board of Directors and other responsible persons of the company for the financial statements

In accordance with Article 9 (3) (c) and (7) of the Transparency Requirements (Traded Securities on a Regulated Market), we the members of the Board of Directors and other officers responsible for the financial statements of Eumbrella Corporation (International) Public Limited for the year ended 31 December 2018 confirm that, to the best of our knowledge:

- a) The annual financial statements that are presented on pages 12 to 37:
 - i. Were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, and in accordance with the provisions of Article 9 (4), and
 - ii. Give a true and fair view of the assets and liabilities, the financial position and the profit or loss of Eumbrella Corporation (International) Public Ltd and its subsidiary which are included in the consolidated financial statements, and
- b) The directors' report gives a fair view of the developments and the performance of the business as well as the financial position of Eumbrella Corporation (International) Public Ltd and its subsidiary which are included in the consolidated financial statements, together with a description of the principal risks and uncertainties faced by the Company.

Members of the Board of Directors:

Christakis Ierides – Director

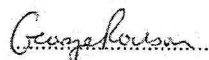
George Rousou – Director

Antonis Karitzis – Director



Responsible persons for the preparation of these Financial Statements

George Rousou – Director



Nicosia
25 April 2019

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

MANAGEMENT REPORT

The Board of Directors of eUmbrella Corporation (International) Public Limited (the "Company") presents to the members its Management Report and the audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2018.

Principal activities and nature of operations of the Group

The principal activity of the Group is the development, support, licencing, operation and promotion of a software platform that offers mobile phone application services, the provision of telephony services to third parties.

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

The net loss for the year attributable to the shareholders of the Group amounted to €155.574 (2017: €95.979). On 31 December 2018 the total assets of the Group were €675.766 (2017: €734.825) and the net assets of the Group were €373.483 (2017: €529.057). The financial position, development and performance of the Group during 2018 as presented in these financial statements is comparable to 2017. Additionally, during 2018 new mobile phone application services have been released and their financial returns are expected to fully materialise in 2019. Thus, the Board of Directors is making an effort to reduce the Group losses.

On 10 January 2019, the Cyprus Stock Exchange (CSE) announced the listing of the Company on the CSE Emerging Companies Market. The trading of the shares of the Company, has commenced on 16 January 2019.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Group are disclosed in note 5 of the consolidated financial statements.

Existence of branches

The Company does not maintain any branches.

Results

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

Dividends

The Company did not have any distributable profits as at 31 December 2018, thus the Board of Directors cannot recommend the payment of a dividend.

Share capital

There were no changes in the share capital of the Company during the year.

Board of Directors

In accordance with the Company's Article of Association one third of the members of the Board of Directors, Mr Christakis Ierides, resigns and being eligible, he offers himself for re-election.

The members of the Group's Board of Directors as at 31 December 2018 and at the date of this report are presented on page 1.

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

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 28 to the consolidated financial statements.

Participation of the Directors to the share capital of the Company

The percentage of the share capital of the Company being held directly or indirectly by the Members of the Board of Directors, as at 31 December 2018 and 25 April 2019 were as follows:

	25 April 2019	31 December 2018
	%	%
Christakis Ierides	0,20	0,14
George Rousou	0,48	0,36
Antonis Karitzis	0,11	0,04

Also, George Rousou owns 100% of the share capital of Coeur Delion Software Engineering Ltd.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

MANAGEMENT REPORT

Main shareholders

At the date of this report the following shareholders held directly or indirectly over than 5% of the share capital of the Company as at 31 December 2018 and 25 April 2019:

	25 April 2019	31 December 2018
	%	%
3L Transcendent Investments Ltd	73,19	73,93
Coeur Delion Software Engineering Ltd	20,11	20,32

Agreements with Directors and related parties

As at 31 December 2018, and during the date of this report there were not any agreements with the Group or subsidiaries in which the Directors or their related parties have substantial interest.

Corporate Governance

The Company has listed shares in the Emerging Capital Markets of the Cyprus Stock Exchange ('CSE'). The CSE has established a Corporate Governance Code ('The Code'). The Company does not apply the Code, taking into consideration the small size of the Group, the fact that the Group does not employ a high number of employees and that its principal activities are conducted through agreements with third parties. These advocate for the non-adoption of the Code, as the relative cost increase would not be justified under the circumstances.

Independent Auditors

The independent auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

KARANTO SECRETARIAL LIMITED
Karanto Secretarial Limited
Secretary

Nicosia, 25 April 2019

Independent Auditor's Report

To the Members of eUmbrella Corporation (International) Public Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of eUmbrella Corporation (International) Public Limited (the "Company") and its subsidiaries (the "Group"), which are presented in pages 8 to 37 and comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

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

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

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

Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal Requirements

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

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

Other Matter

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

The engagement partner on the audit resulting in this independent auditor's report is Nick Nicolaou.



Nick Nicolaou
Certified Public Accountant and Registered Auditor

for and on behalf of
Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Jean Nouvel Tower
6 Stasinou Avenue
PO Box 21656
1511 Nicosia, Cyprus

Nicosia, 25 April 2019

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2018

	Note	2018 €	2017 €
Revenue	7	299.356	384.815
Cost of sales	8	<u>(169.481)</u>	(191.285)
Gross profit		129.875	193.530
Other operating income	9	7.731	-
Selling and distribution expenses	10	(63.987)	(101.465)
Administration expenses	11	(79.439)	(70.666)
Other expenses		<u>(2.441)</u>	(8.402)
(Losses)/Earnings before Interest, Tax, Depreciation, Amortisation		(8.261)	12.997
Admission expenses to ECM	13	(40.500)	-
Finance costs	14	(1.510)	(670)
Depreciation	17	(11.700)	(11.435)
Amortisation	18	<u>(129.986)</u>	(114.336)
Loss before tax		(191.957)	(113.444)
Tax	15	<u>36.383</u>	17.465
Net loss for the year		(155.574)	(95.979)
Other comprehensive loss		-	-
Total comprehensive loss for the year		<u>(155.574)</u>	(95.979)
Loss per share attributable to equity holders of the parent (cent)	16	<u>(1,40)</u>	(0,86)

The notes on pages 12 to 37 form an integral part of these consolidated financial statements.

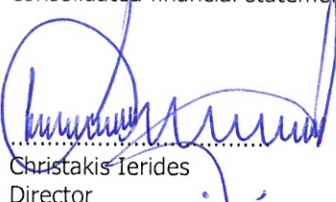
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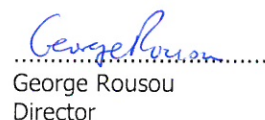
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2018

	Note	2018 €	2017 €
ASSETS			
Non-current assets			
Property, plant and equipment	17	33.380	43.764
Intangible assets	18	552.078	603.809
Deferred tax assets	23	53.848	17.465
		639.306	665.038
Current assets			
Trade and other receivables	19	34.506	66.780
Cash and cash equivalents	20	1.954	3.007
		36.460	69.787
Total assets		675.766	734.825
EQUITY AND LIABILITIES			
Equity			
Share capital	21	557.500	557.500
Share premium		91.056	91.056
Accumulated losses		(275.073)	(119.499)
Total equity		373.483	529.057
Current liabilities			
Trade and other payables	24	162.184	136.377
Payables to related parties	25	130.596	69.391
Borrowings	22	9.503	-
		302.283	205.768
Total equity and liabilities		675.766	734.825

On 25 April 2019 the Board of Directors of eUmbrella Corporation (International) Public Limited authorised these consolidated financial statements for issue.


 Christakis Terides
 Director


 George Rousou
 Director

The notes on pages 12 to 37 form an integral part of these consolidated financial statements.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2018

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2017		27.730	620.826	(23.520)	625.036
Net loss for the year/Total comprehensive loss for the year		-	-	(95.979)	(95.979)
Issue of share capital	21	529.770	(529.770)	-	-
Balance at 31 December 2017		557.500	91.056	(119.499)	529.057
Net loss for the year/Total comprehensive loss for the year		-	-	(155.574)	(155.574)
Balance at 31 December 2018		557.500	91.056	(275.073)	373.483

Share premium is not available for distribution.

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	Note	2018 €	2017 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(191.957)	(113.444)
Adjustments for:			
Depreciation of property, plant and equipment	17	11.700	11.435
Amortisation of intangible assets	18	129.986	114.335
Interest expense	14	88	3
		(50.183)	12.329
Changes in working capital:			
Decrease/(increase) in trade and other receivables	19	32.274	(126.039)
Increase in trade and other payables	24	25.807	135.177
Increase in payables to related companies	25.3 & 25.4	61.205	42.691
Cash generated from operations		69.103	64.158
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	18	(78.255)	(62.475)
Payment for purchase of property, plant and equipment	17	(1.316)	(1.446)
Cash acquired through business combinations		-	2.773
Net cash used in investing activities		(79.571)	(61.148)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		9.504	
Interest paid		(88)	(3)
Net cash used in financing activities		9.416	(3)
Net (decrease)/increase in cash and cash equivalents		(1.052)	3.007
Cash and cash equivalents at beginning of the year		3.007	-
Cash and cash equivalents at end of the year	20	1.954	3.007

The notes on pages 12 to 37 form an integral part of these consolidated financial statements.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

1. Corporate information

Country of incorporation

Eumbrella Corporation (International) Public Limited (the "Company") was incorporated in Cyprus on 11 August 2016 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Archiepiskopou Makariou III, 228, Agios Pavlos Court, Block B', 4th floor, Flat 411-412, 3030, Limassol, Cyprus.

Principal activities

The principal activity of the Group is the development, support, licencing, operation and promotion of a software platform that offers mobile phone application services, the provision of telephony services to third parties.

2. Basis of preparation

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

The financial statements have been prepared on a going concern basis which assumes that the group will continue to operate for the foreseeable future.

The Group incurred loss of €155.574 for the year ended 31 December 2018, and, as of that date the Group's current liabilities exceeded its current assets by €265.823. Out of this amount, €127.296 relates to transactions with related parties, therefore reducing the net liability to €138.527. Furthermore, during March 2019, the Company raised additional capital amounting to €200.000 from two investors, and €100.000 from the conversion of a related payable balance (Note 28).

3. Adoption of new or revised standards and interpretations

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Group, with the exception of the following:

IFRS 9 "Financial instruments" and IFRS 15 "Revenue from Contracts with Customers"

The Group elected as permitted by IFRS 9 and IFRS 15 not to restate the comparative information. The comparative information is prepared in accordance with IAS 39 and IAS 18 and IAS 11, and there was no impact resulting from the adoption.

IFRS 9 "Financial instruments"

IFRS 9 "Financial instruments" replaces the provisions of IAS 39 that relate to recognition and derecognition of financial instruments and classification and measurement of financial assets and financial liabilities. IFRS 9 further introduces new principles for hedge accounting and a new forward-looking impairment model for financial assets.

The Group applied for the first time, IFRS 9 Financial Instruments and disclosed below the nature and effect of these changes. This adoption did not have a material effect on the accounting policies of the Group.

The Group adopted the new standard as of 1 January 2018 without restating comparative information. The cumulative effect of the adjustments arising from the new requirements are recognized in the opening balance of retained earnings on 1 January 2018. There was no impact resulting from the adoption.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

3. Adoption of new or revised standards and interpretations (continued)

IFRS 9 "Financial instruments" (continued)

The following table shows the adjustments recognized for each individual line item. This adoption did not have a material effect on the accounting policies of the Group.

	31 December 2017 (IAS 39 Presentation)	Reclassifications/ Remeasurements	1 January 2018 under IFRS 9
	€	€	€
Assets			
Trade Receivables	41.512		41.512
Cash and cash equivalents	3.007		3.007
Total financial assets	44.519	-	44.519
Liabilities			
Trade Payables and accruals	63.518		63.518
Payables to related parties	69.391		69.391
Total financial liabilities	132.909	-	132.909

The accounting for the Group's financial liabilities remain the same as under IAS 39.

In summary, upon the adoption of IFRS 9, the Group did not have any reclassifications:

	IAS 39		IFRS 9	
	Measurement Category €	Carrying amount €	Measurement Category €	Carrying amount €
Financial Assets				
Trade Receivables	Loans and receivables	41.512	Amortised Cost	41.512
Cash and Cash equivalents	Loans and receivables	3.007	Amortised Cost	3.007
Financial Liabilities				
Trade Payables	Amortised Cost	63.518	Amortised Cost	63.518
Payables to related parties	Amortised Cost	69.391	Amortised Cost	69.391

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

3. Adoption of new or revised standards and interpretations (continued)

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes a five-step model that applies to revenue earned from a contract with a customer (with limited exceptions), regardless of the type of revenue transaction or the industry. The standard's requirements also apply to the recognition and measurement of gains and losses on the sale of some non-financial assets that are not in the Company's ordinary activities (e.g. sales of property, plant and equipment or intangible).

As from 1 January 2018, the Group applies the new standard using the modified retrospective method, therefore the initial application did not result in any restatement of comparative data. The new standard did not have any significant impact on the Group's consolidated financial statements, upon adoption since, no material differences from applying the new accounting policies were identified. Therefore it did not have any impact on retained earnings and no transition adjustments were required as a result of its application. The implementation of IFRS 15 does not represent a material change from the Group's current practices.

Other new and amended standards and interpretations

- IFRS 15 (Clarifications) Revenue from Contracts with Customers: The objective of the Clarifications is to clarify the IASB's intentions when developing the requirements in IFRS 15 Revenue from Contracts with Customers, particularly the accounting of identifying performance obligations amending the wording of the "separately identifiable" principle, of principal versus agent considerations including the assessment of whether an entity is a principal or an agent as well as applications of control principle and of licensing providing additional guidance for accounting of intellectual property and royalties. The Clarifications also provide additional practical expedients for entities that either apply IFRS 15 fully retrospectively or that elect to apply the modified retrospective approach.
- Amendments to IFRS 2: Classification and Measurement of Share based Payment Transactions: The Amendments are effective for annual periods beginning on or after 1 January 2018 with earlier application permitted. The Amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash settlement share based payments, for share based payment transactions with a net settlement feature of withholding tax obligations and for modifications to the terms and conditions of a share based payment that changes the classification of the transaction for cash settled to equity settled.
- IAS 40 (Amendments) Transfers to Investment Property: The Amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The Amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.
- IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration: The Interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or a non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.
- The IASB has issued the Annual Improvements to IFRSs (2014 – 2016 Cycle), which is a collection of amendments to IFRSs.
 - IAS 28 Investments in Associates and Joint Ventures: The amendments clarify that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

3. Adoption of new or revised standards and interpretations (continued)

Standards issued but not yet effective and not early adopted

- **IFRS 16: Leases:**
The new standard on leases that replaces IAS 17, IFRIC 4, SIC-15 and SIC-27. Under the provisions of the standard most leases, including the majority of those previously classified as operating leases, will be brought onto the statement of financial position, as both a right-of-use asset and a largely offsetting lease liability. The right-of-use asset and lease liability are both based on the present value of lease payments due over the term of the lease, with the asset being depreciated in accordance with IAS 16 'Property, Plant and Equipment' and the liability increased for the accretion of interest and reduced by lease payments. Management is assessing the standard and expects it will have no impact on the financial statements when it will become effective.
- **IFRS 9 Prepayment features with negative compensation (Amendment):**
These Amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted.
- **Amendment in IFRS 10: Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture:**
The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely, but an entity that early adopts the amendments must apply them prospectively.
- **The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs:**
The amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. These annual improvements have not yet been endorsed by the EU. Management is currently evaluating the effect of these standards or interpretations on its financial statements.
 - (i) **IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:** The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
 - (ii) **IAS 12 Income Taxes:** The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized. The standard has been endorsed by EU. The adoption of these amendments are effective for accounting periods beginning on 1 January 2019. The Company has assessed that these amendments have no material effect on the Company financial statements.
 - (iii) **IAS 23 Borrowing Costs:** The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.
- **IFRIC Interpretation 23: Uncertainty over Income Tax Treatments:** The Interpretation is effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12.
The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

3. Adoption of new or revised standards and interpretations (continued)

Standards issued but not yet effective and not early adopted (continued)

- IAS 19 (Amendments) Plan Amendment, Curtailment or Settlement: The Amendments are effective for annual periods beginning on or after 1 January 2019 with earlier application permitted. The amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Management is currently evaluating the effect of these standards or interpretations on its financial statements.
- Conceptual Framework in IFRS standards: The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.
- IFRS 3 Business Combinations (Amendments): The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU.
- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments) The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU.
- IAS 28 (Amendments) Long-term Interests in Associates and Joint Ventures: The Amendments are effective for annual reporting periods beginning on or after 1 January 2019 with earlier application permitted. The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28. These Amendments were still being considered for endorsement process as of 21 January 2019.

These standards are expected to have no significant impact on the Company's financial statements when they become effective.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company eUmbrella Corporation (International) Public Limited and the financial statements of eUmbrella Corporation (CY) Ltd.

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

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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

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

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

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

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies (continued)

Business combinations (continued)

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

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

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

Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Revenue

Revenue from contracts with customers

Revenue comprises the fair value of the sale of goods and services, net of value-added tax and any excise duties, rebates and discounts. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Control over goods sold and services rendered is transferred to the customer upon delivery of the respective products or service respectively. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Payment terms vary in line with the type of sales transactions and depend mainly on the products sold or services rendered, the distribution channels as well as each customer's specifics.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies (continued)

Revenue (continued)

The Group assesses whether it acts as a principal or agent in each of its revenue arrangements. The Group has concluded that in all sales transactions it acts as a principal.

Revenue is recognised as follows:

- **Provision of services**

For sales of services, revenue is recognised in the accounting period in which the services are rendered, as the customer obtains control over the promised services, by reference to stage of completion of each specific performance obligation and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and deferred income tax liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Property, plant and equipment

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

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies (continued)

Property, plant and equipment(continued)

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method, on the following bases:

	%
Furniture & Equipment	10
Computer Hardware	20
Machinery	10
Telephone systems	10

The depreciation method applied, assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

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

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

Intangible assets

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

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

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

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

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies (continued)

Internally-generated intangible assets - research and development expenditure

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in the consolidated statement of comprehensive income. During the period of development, the asset is tested for impairment annually. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised. The software platform is amortised using the straight-line method over its useful life, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

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

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies (continued)

Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Financial assets - Recognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets - Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at Fair value through other comprehensive income at Fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies (continued)

Financial assets – Classification (continued)

For investments in equity instruments that are not held for trading, classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at Fair value through profit or loss.

Financial assets - Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at Fair value through profit or loss are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income. Financial assets measured at amortised cost comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, and trade and other receivables.

These amounts generally arise from transactions within the usual operating activities of the Group. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies (continued)

Financial assets – Measurement (continued)

Fair value through other comprehensive income: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at Fair value through other comprehensive income. Movements in the carrying amount are taken through Other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income. There are no financial assets measured at Fair value through other comprehensive income as at the year-end.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or Fair value through other comprehensive income are measured at Fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at Fair value through profit or loss is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises. There are no financial assets measured at Fair value through profit or loss as at the year-end.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in Other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the Fair value through other comprehensive income reserve is reclassified to retained earnings. The Group's policy is to designate equity investments as Fair value through other comprehensive income when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at Fair value through profit or loss are recognised in "other gains/(losses)" in the consolidated statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at Fair value through other comprehensive income are not reported separately from other changes in fair value. There are no equity instruments as at the year-end.

Financial assets - impairment - credit loss allowance for Expected credit losses

From 1 January 2018, the Group assesses on a forward-looking basis the expected credit losses for debt instruments measured at amortised cost and Fair value through other comprehensive income. The Group measures expected credit losses and recognises credit loss allowance at each reporting date. The measurement of expected credit losses reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of comprehensive income within "net impairment losses on financial and contract assets".

Trade and other receivables and cash and cash equivalents measured at amortised cost are presented in the consolidated statement of financial position net of the allowance for expected credit losses.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for expected credit losses (continued)

For debt instruments at Fair value through other comprehensive income, an allowance for expected credit losses is recognised in profit or loss and it affects fair value gains or losses recognised in Other comprehensive income rather than the carrying amount of those instruments.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For trade receivables the Group applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their expected credit losses measured at an amount equal to the portion of lifetime expected credit losses that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months expected credit losses "). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its expected credit losses is measured based on expected credit losses on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime expected credit losses "). Refer to note 6, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its expected credit losses is measured as a Lifetime expected credit losses.

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, lease contracts and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group defines default as a situation when the debtor is more than 90 days past due on its contractual payments. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

4. Summary of significant accounting policies (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and cash at bank with an original maturity of less than three months. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent Solely payments of principal and interest.

Financial liabilities - measurement categories

Financial liabilities of the Group are initially recognised at fair value and classified as subsequently measured at amortised cost. Financial liabilities comprise trade payables, payables to related parties and borrowings.

Trade payables

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

Offsetting financial instruments

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

Share capital

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

Fair values

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

5. Financial risk management objectives and policies

Financial risk factors

The Group is exposed to credit risk, liquidity risk and capital risk management arising from the financial instruments it holds.

5.1 Credit risk

Credit risk arises from cash and cash equivalents, trade and other receivables carried at amortised cost, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted. If customers are independently rated, these ratings are used.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

5. Financial risk management objectives and policies (continued)

5.1 Credit risk (continued)

Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

5.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The Group has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted payments:

31 December 2018

	On demand	Less than 3 months	3 - 12 months	1 to 5 years	More than 5 years	Total
	€	€	€	€	€	€
Payables to related companies	130.596	-	-	-	-	130.596
Borrowings	9.503	-	-	-	-	-
Trade and other payables	-	-	162.184	-	-	162.184
	140.099	-	162.184	-	-	292.780

31 December 2017

	On demand	Less than 3 months	3 - 12 months	1 to 5 years	More than 5 years	Total
	€	€	€	€	€	€
Payables to related companies	69.391	-	-	-	-	69.391
Trade and other payables	-	-	136.377	-	-	136.377
	69.391	-	136.377	-	-	205.768

Please refer to Note 28 for related events after the reporting period.

5.3 Capital risk management

Capital includes equity shares and share premium.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions, in order to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's overall objectives, policies and processes remain unchanged from last year.

6. Critical accounting estimates, judgments and assumptions

The preparation of the Group's consolidated financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

6. Critical accounting estimates, judgments and assumptions (continued)

Judgments

In the process of applying the Group's accounting policies, Management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the consolidated financial statements:

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Additional information is disclosed in Note 15.

- **Impairment of intangible assets**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to. Additional information is disclosed in Note 18.

- **Impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value. Additional information is disclosed in Note 18.

7. Revenue

	2018	2017
	€	€
Marketing & Loyalty	4.680	1.890
Ordering	3.120	-
Trades, Professionals and Entertainment	2.319	-
Embedded and Branded applications	6.000	-
Content and Monetisation Services	235.644	269.653
Business Messaging	10.689	12.479
Voice Services	29.439	52.550
Revenue Collection Fees Recovered	7.465	48.243
	<u>299.356</u>	<u>384.815</u>

Segmental Analysis

The Group is organised into a single operating segment based on the services provided in Cyprus. The segment has similar characteristics in the nature of the process, type of end customers and distribution methods.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

7. Revenue (continued)

The Group's activities in Cyprus, include mainly the development, support, licensing, operation and promotion of software platform that offers mobile phone application services and the provision of telephony services to third parties. Management monitors the operating results of the business segment separately for the purposes of performance assessment and resource allocation.

8. Cost of sales

	2018	2017
	€	€
Content & Monetisation Services	44.353	57.494
RichReach Software Platform	63.438	42.104
Communication Functions	27.272	43.663
Revenue Collection Fees	34.418	48.024
	<u>169.481</u>	<u>191.285</u>

9. Other operating income

	2018	2017
	€	€
Other Income	7.731	-
	<u>7.731</u>	<u>-</u>

10. Selling and distribution expenses

	2018	2017
	€	€
Advertising and Promotion Costs	63.987	101.465
	<u>63.987</u>	<u>101.465</u>

11. Administration expenses

	2018	2017
	€	€
Staff costs	13.966	4.093
Rent	6.000	3.000
Common expenses	2.687	821
Licenses and taxes	4.156	3.926
Municipality taxes	739	710
Annual levy	700	820
Electricity	5.598	5.843
Water supply and cleaning	1.892	2.145
Insurance	415	295
Sundry expenses	2.516	3.274
Telephone, internet and postage	3.709	4.822
Stationery and printing	544	240
Subscriptions and contributions	-	447
Equipment maintenance	715	767
Computer supplies and maintenance	1.169	1.614
Auditors' remuneration	9.100	7.000
Auditor's remuneration (prior year)	2.600	-
Other professional fees	1.204	150
Inland travelling and accommodation	6.098	1.594
Motor vehicle running costs	5.831	7.824
External Operations & Administration Services	7.800	21.281
Investors expenditure	2.000	-
	<u>79.439</u>	<u>70.666</u>

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12. Staff costs

	2018 €	2017 €
Salaries	12.505	3.611
Social security costs	1.461	482
	<u>13.966</u>	<u>4.093</u>

The number of employees employed by the Company during both years 2018 and 2017 were 4. Staff costs directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets.

13. Admission expenses to ECM

	2018 €	2017 €
Admission expenses to ECM	<u>40.500</u>	-

During the year, the Company has expensed the admission fees to the Emerging capital markets of the Cyprus Stock Exchange (Note 28).

14. Finance costs

	2018 €	2017 €
Interest expense	88	3
Sundry finance expenses	1.422	667
Finance costs	<u>1.510</u>	<u>670</u>

15. Tax

	2018 €	2017 €
Deferred tax - credit (Note 23)	<u>(36.383)</u>	<u>(17.465)</u>
Credit for the year	<u>(36.383)</u>	<u>(17.465)</u>

The tax on the Group's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2018 €	2017 €
Loss before tax	<u>(191.957)</u>	<u>(113.444)</u>
Tax calculated at the applicable tax rates	(23.995)	(14.181)
Tax effect of allowances and income not subject to tax	3.419	3.035
Tax effect of tax loss for the year	20.576	11.146
Deferred tax	<u>(36.383)</u>	<u>(17.465)</u>
Tax charge	<u>(36.383)</u>	<u>(17.465)</u>

The corporation tax rate is 12,5%.

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

Due to tax losses sustained in the year, no tax liability arises on the Group. The Group tax losses carried forward, for

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Year ended 31 December 2018

15. Tax (continued)

which a deferred tax asset has been recognised (Note 23) are €430.785 and arise since 2014. (2014: €23.260, 2015: €78.559, 2016: €48.243, 2017: €95.911 and 2018: €184.812) Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

16. Loss per share attributable to equity holders of the parent

	2018	2017
Loss attributable to shareholders (€)	(155.574)	(95.979)
Weighted average number of ordinary shares in issue during the year	11.150.000	11.150.000
Loss per share attributable to equity holders of the parent (cent)	(1,40)	(0,86)

Diluted EPS is the same as basic EPS.

17. Property, plant and equipment

	Furniture & Equipment €	Computer Hardware €	Machinery €	Telephone Systems €	Total €
Cost					
Acquisition through business combinations	14.305	24.459	5.750	42.500	87.014
Additions	-	1.446	-	-	1.446
Balance at 31 December 2017	14.305	25.905	5.750	42.500	88.460
Additions	-	1.316	-	-	1.316
Balance at 31 December 2018	14.305	27.221	5.750	42.500	89.776
Depreciation					
Acquisition through business combinations	4.293	14.493	1.725	12.750	33.261
Charge for the year	1.429	5.181	575	4.250	11.435
Balance at 31 December 2017	5.722	19.674	2.300	17.000	44.696
Charge for the year	1.432	5.443	575	4.250	11.700
Balance at 31 December 2018	7.154	25.117	2.875	21.250	56.396
Net book amount					
Balance at 31 December 2018	7.151	2.104	2.875	21.250	33.380
Balance at 31 December 2017	8.583	6.231	3.450	25.500	43.764

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18. Intangible assets

	Goodwill €	RichReach Application Platform* €	Computer and Telecom software €	Total €
Cost				
Balance at 1 January 2017	-	486.548	-	486.548
Additions	159.701	62.475	-	222.176
Acquisitions through business combinations	-	-	26.150	26.150
Balance at 31 December 2017	159.701	549.023	26.150	734.874
Additions	-	78.255	-	78.255
Balance at 31 December 2018	159.701	627.278	26.150	813.129
Amortisation				
Acquisition through business combinations	-	-	16.730	16.730
Amortisation for the year	-	109.805	4.530	114.335
Balance at 31 December 2017	-	109.805	21.260	131.065
Amortisation for the year	-	125.456	4.530	129.986
Balance at 31 December 2018	-	235.261	25.790	261.051
Net book amount				
Balance at 31 December 2018	159.701	392.017	360	552.078
Balance at 31 December 2017	159.701	439.218	4.890	603.809

* Internally generated intangible assets

On 1 January 2017 the Company acquired 100% of the shares in eUmbrella Corporation (CY) Ltd. This has resulted in the business being wholly consolidated within the Company's results from this date.

The cost of the purchase was in exchange of shares of the Company for the amount of €111.000. The fair value of the identifiable net assets acquired were as follows:

	Net Book Value as at 1 January 2017	Fair Value as at 1 January 2017
	€	€
Equipment supporting software platform	46.795	46.795
Office and computer equipment	16.378	16.378
Trade and other receivables	14.906	14.906
Cash in hand and at bank	2.773	2.773
Trade and other payables	(89.811)	(89.812)
Related party balance with the Company	(39.741)	(39.741)
Total Net Assets acquired	(48.700)	(48.701)
Consideration paid:		
Shares allotted		111.000
Goodwill		159.701

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

18. Intangible assets (continued)

Goodwill represents the premium paid to acquire the business of eUmbrella Corporation (CY) Ltd and is measured at cost less any accumulated impairment losses.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating units using a suitable discount rate in order to calculate present value.

The recoverable amount has been determined based on the value in use calculation using cash flow projections based on financial plans approved by the Group's board. The review has been based on the results and forecasts of the Group.

The main assumptions used in the valuation are:

Discount rate : The discount rate determines management's assessment of risks. This is a benchmark used by management to assess the operating performance and evaluate the business risks, financial risks and risk free rates of return. The pre-tax discount rate applied to the cash flow projections is 25%.

Price/Earnings ratio : The ratio used determines management's assessment of the market in which the Company currently operates, taking into consideration other markets and companies in similar industries. The ratio applied to the cash flow projections calculations is 5.

Cash flows : The cash flow projections from 2019 to 2021 were prepared by the Company.

The Goodwill recognised for the eUmbrella Corporation (CY) Ltd is for the amount of €159.701. For an impairment to arise the discount rate would have to increase significantly in order for the recoverable amount to equal to the carrying amount.

19. Trade and other receivables

	2018	2017
	€	€
Deposits and prepayments	1.517	25.268
Other receivables	32.989	41.512
	<u>34.506</u>	<u>66.780</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above. No impairment of trade receivables has been incurred during the year.

The exposure of the Group to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the consolidated financial statements.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

20. Cash and cash equivalents

Cash balances are analysed as follows:

	2018	2017
	€	€
Cash in hand	7	17
Cash at bank	1.947	2.990
	<u>1.954</u>	<u>3.007</u>

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

21. Share capital

	2018 Number of shares	2018 €	2017 Number of shares	2017 €
Authorised				
Ordinary shares of €0,05 each	<u>12.000.000</u>	<u>600.000</u>	<u>12.000.000</u>	<u>600.000</u>
		€		€
Issued and fully paid				
Balance at 1 January	11.150.000	557.500	554.600	27.730
Issue of shares	-	-	10.595.400	529.770
Balance at 31 December	<u>11.150.000</u>	<u>557.500</u>	<u>11.150.000</u>	<u>557.500</u>

Under its Memorandum the Company fixed its share capital at 554.600 ordinary shares of nominal value of €0,05 each.

Upon incorporation on 11 August 2016 the Company issued to the subscribers of its Memorandum of Association 554.600 ordinary shares of €0,05 each at par and at a total Share Premium of €620.826.

The Share Premium is not available for distribution.

On 22/11/2017 the Company: 1) Increased its Authorised Share Capital to 12,000,000 ordinary shares of €0.05 each (€600.000) 2) Proceeded to a bonus share issue (10,595,400 bonus shares) that increased its Issued Share Capital to 11,150,000 ordinary shares of €0.05 each (€557.500).

22. Borrowings

	2018 €	2017 €
Balance at 1 January	-	-
Additions	9.416	-
Interest payable	88	-
Balance at 31 December	<u>9.504</u>	<u>-</u>
	2018 €	2017 €
Current borrowings		
Borrowings	<u>9.504</u>	<u>-</u>
	<u>9.504</u>	<u>-</u>

The loan bears interest of 4% per annum and is repayable on demand.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

23. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 15). The applicable corporation tax rate in the case of tax losses is 12,5%.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

The movement on the deferred taxation account is as follows:

Deferred tax assets

	Tax losses €
Balance at 1 January 2017	-
Charged to:	
Statement of comprehensive income (Note 15)	<u>17.465</u>
Balance at 31 December 2017/ 1 January 2018	17.465
Charged to:	
Statement of comprehensive income (Note 15)	<u>36.383</u>
Balance at 31 December 2018	<u>53.848</u>

The Group recognised deferred tax assets on tax losses carried forward.

Deferred tax assets are recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available in the future against which the unused tax losses/credits can be utilised.

24. Trade and other payables

	2018 €	2017 €
Trade payables	37.694	41.988
Social insurance and other taxes	4.472	943
Value added tax	76.177	71.916
Accruals	29.034	13.510
Other creditors	<u>14.807</u>	<u>8.020</u>
	<u>162.184</u>	<u>136.377</u>

Trade payables are non-interest bearing and are normally settled on 60-day terms. The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2018

25. Related party transactions

The Company is controlled by 3L Transcedent Investements Limited, incorporated in Cyprus, which owns 73,93% of the Company's shares. The ultimate controlling party is Mr Antonis Karitzis.

The following transactions were carried out with related parties:

25.1 Directors' remuneration

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

	2018	2017
	€	€
Directors' fees	<u>12.505</u>	<u>3.611</u>
	<u>12.505</u>	<u>3.611</u>

25.2 Purchases of goods and services

	Nature of transactions	2018	2017
		€	€
Coeur DeLion Software Engineering Limited	Software development and support	144.478	49.125
Coeur DeLion (Overseas Holdings) Ltd	Software development and support	-	70.527
		<u>144.478</u>	<u>119.652</u>

Coeur DeLion Software Engineering Ltd owns 20,32% of the company's share capital.

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions.

25.3 Payables to related companies

Name	2018	2017
	€	€
Coeur DeLion Software Engineering Limited	<u>127.296</u>	<u>69.391</u>
	<u>127.296</u>	<u>69.391</u>

Coeur DeLion Software Engineering Ltd owns 20,32% of the company's share capital.

The payable to related party is interest free, and has no specified repayment date.

Please refer to Note 28 for related events after the reporting period.

25.4 Director's current account - credit balance

	2018	2017
	€	€
Director's current account	<u>3.300</u>	<u>-</u>
	<u>3.300</u>	<u>-</u>

The director's current account is interest free, and has no specified repayment date.

26. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2018.

27. Commitments

The Group had no capital or other commitments as at 31 December 2018.

EUMBRELLA CORPORATION (INTERNATIONAL) PUBLIC LIMITED

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Year ended 31 December 2018

28. Events after the reporting period

On 10 January 2019, the Cyprus Stock Exchange (CSE) announced the listing of the Company on the CSE Emerging Companies Market. The trading of the shares of the Company, has commenced on 16 January 2019.

On 15 February 2019, the Board of Directors approved the conversion of €100.000 of the Coeur DeLion Software Engineering Limited payable balance to 50.000 shares of Eumbrella Corporation (International) Public Limited.

During March of 2019, Eumbrella Corporation (International) Public Limited has entered into an arrangement with 2 investors to acquire 55.556 shares in the company for a total consideration of €200.000.

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

Independent Auditor's Report on pages 5 to 7