REGISTERED NUMBER: 08822710 (England and Wales)

GROUP STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

FOR

MENIGA LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 March 2017

COMPANY INFORMATION
for the Year Ended 31 March 2017

DIRECTORS:	A O Asgeirsson S Egilsson Mrs S Gunnarsdottir G Hafsteinsson A Luchsinger W A Willemstein Mrs H H Hakonardottir
REGISTERED OFFICE:	10 John Street London WC1N 2EB
REGISTERED NUMBER:	08822710 (England and Wales)
AUDITORS:	Oury Clark Chartered Accountants Statutory Auditors Herschel House 58 Herschel Street Slough Berkshire SL1 1PG

GROUP STRATEGIC REPORT
for the Year Ended 31 March 2017

The directors present their strategic report of the company and the group for the year ended 31 March 2017.

Meniga's main operation is the production, marketing and sale of software solutions for digital banking, operation of web sites, consumer marketing solutions and processing and sale of data and services related to its software solutions and their operation by financial institutions.

Meniga is a leading provider of digital banking solutions, analytics and marketing products for financial institutions, mostly focusing on European markets. Meniga licenses its software solutions to financial institutions and provides services and solutions that enable financial institutions' customers to better manage their money, improve their customer relationships through digital banking and leverage engagement to cross-sell, improve customer retention and satisfaction, as well as attract new business and create new revenue streams. In addition to selling digital banking solutions, Meniga partners with banks and merchants to use Meniga's Marketing Products (card-linked offers and consumer data analytics) to bring customer tailored, deeply-discounted offers to digital banking users in select countries. For card-linked offers, Meniga is pursuing a revenue share business model, where Meniga receives part of the fees paid by merchants for every successfully converted offer. Through its solution, Meniga promotes a mutually beneficial ecosystem of consumers, banks and merchants.

REVIEW OF BUSINESS
The general business environment for Meniga's solutions has been improving with retail banks increasing their investment in digital banking. This is mainly driven by the imminent PSD2 regulation that is pushing banks to invest more and effectively use data to engage their customers.

Meniga strengthened its brand and position as a thought-leader in next-generation digital banking. At the Finovate Europe 2017 conference in London, Meniga unveiled "Challenges", demonstrating how banks can use Meniga's technology to engage their digital banking users. Meniga continues to be recognized as a leading fintech company and was again named a "Fintech top 50" company in Europe in 2017 by a panel of leading experts. Meniga plans to continue to invest in the development of its digital banking and data & marketing solutions.

In 2016, Meniga moved its headquarters from Reykjavik to London. The main reasons for this move are: London has a concentration of over 200 banks in The City; it is an important fintech centre with UK R&D grants and tax benefits supporting innovation; and finally, it is an excellent hub for the sales and marketing team to travel within and outside of Europe.

Meniga's head count stayed roughly the same between 2015/16 and 2016/17 at between 80-90 people located in UK, Iceland and Sweden. Since the fiscal year-end, Meniga opened offices in Poland and Spain to tap into larger talent pools, service its customers across Europe and naturally hedge its currency risk.

PRINCIPAL RISKS AND UNCERTAINTIES

There are several risks and uncertainties that Meniga is subject to, many of which are outside our control. These risks and uncertainties include regulatory risk, market risk, liquidity risk, currency risk and operational risk. In addition, Meniga faces legal and operational risks when it implements its software with digital banks, competition with other digital banking solution providers as well as long sales cycles.

Regulatory risk

The "General Data Protection Regulation" (GDPR) is an EU wide regulation that will take effect in May 2018. GDPR will likely have some effect on how Meniga's products are introduced to digital banking customers across Europe. As an example, GDPR will most likely result in European Card-Linked Offers (CLO) programs (which Meniga provides) being OPT-IN rather than OPT-OUT for the end user. Meniga does not expect this to have a major negative impact - many of our most recently signed customers are already anticipating this and factoring it into the implementation process. Meniga will also likely need to make some minor adjustments to its product as a result of GDPR (for example with regards to how long data is stored).

In other ways, the regulatory environment has been favourable to Meniga, in the sense that the imminent PSD2 EU regulation is increasing demand for Meniga's products and services. Meniga is currently reviewing its product offering as well as some of the current implementations with respect to the GDPR legislation - to identify what, if any, updates need to be made to Meniga's products.

In addition, Meniga is assessing its product offering and some current implementations with respect to the GDPR legislation - to identify what, if any, updates should be made to Meniga's products.

Market risk

Meniga's business is subject to market risk, including recession, financial crisis, political turmoil and terrorism. All of which could negatively affect its customers buying behaviour, that is it could cause banks to invest less in their digital banking solutions.

Meniga's customer portfolio is well diversified geographically with customers in 20 countries, with no concentration of revenues from any one country. Most of Meniga's customers are in Western Europe, with several in other continents. Meniga is actively pursuing opportunities in other parts of the world, to further diversify. Meniga continues to invest in sales and marketing activities, as well as R&D to keep its products competitive.

Liquidity risk

Meniga could face liquidity risk if large customers delay payments significantly or if we are unable to achieve some new sales in line with our budget and business plan.

Meniga is working with financial institutions to ensure it has access to short-term credit to help manage cash-flow fluctuations and reduce liquidity risks. Furthermore, Meniga is a venture backed company, which has raised over €18 million in equity to date. Meniga will consider raising additional funds if necessary to strengthen its balance sheet.

Currency risk

Most of Meniga's revenues are Euros while most of the cost is in Icelandic Krona and British pounds. Therefore, fluctuations in currency exchange rates, may have a material effect on on Meniga's financial performance. There is no guarantee that Meniga can compensate or hedge against such developments.

Meniga has entered into arrangements to hedge against strengthening of the ISK beyond a certain point - and may do so again to limit the downside of currency fluctuations. Furthermore, we monitor development of exchange rates on an ongoing basis.

Operational risk

Meniga's operation is constantly faced with several types of risks, including:

a) People Risk. We rely on highly skilled technical staff, which are often in high demand. Risks related to hiring and retaining employees may limit Meniga's ability to grow, perform R&D and deliver our solution to our customers.

b) Cyber Risk. Meniga's systems process sensitive financial data for banks across the world and in Iceland, Meniga operates a B2C personal finance management application which contains users' financial data. Meniga's systems and solution are exposed to cyber risk of hacking and data leaks - which could cause Meniga to be liable to pay large damages and may also severely negatively affect Meniga's reputation.

c) Intellectual Property Risk. There is a risk that someone will claim that Meniga's software solutions infringe intellectual property, which, if found valid, could make Meniga liable to pay high damages or royalties as well as be expensive legally.

Meniga employs various strategies to mitigate operational risk:

a) Meniga maintains a competitive compensation scheme to help attract and retain employees. Meniga operates an HR department and puts high emphasis on employee satisfaction through various policies and procedures designed to make Meniga an attractive work place. Meniga is also establishing a new office in Warsaw, Poland to access a large talent pool with favourable cost-quality characteristics.

b) Meniga maintains an active security policy to mitigate risks, employs security experts, and generally employs similar security measures as retail banks to in their digital banking solutions. Meniga has also taken out insurance against certain types of cyber risks.

c) Meniga actively monitors Intellectual Property in Meniga's industry. Meniga also has taken insurance against IP infringement claims.

CHANGE OF FISCAL YEAR

Effective 1 April 2016, Meniga changed its fiscal year end from 31 December to 31 March in line with the industry. The impact of this change was not material to the Consolidated Financial Statements. Delivery of major projects is skewed towards the back half of the year. By changing to a 31 March fiscal year end, this gives ample time to prepare financial statements and budget planning for the following year.

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

GROUP STRATEGIC REPORT
for the Year Ended 31 March 2017

BUSINESS PERFORMANCE: 1 APRIL 2016 - 31 MARCH 2017

Meniga had a good year in 2016/17, characterized by continued innovative developments of its software solutions, strengthening its position as the European market leader of white-label Software Solutions for digital banks while making further progress on its Marketing Products solutions, laying the foundation of high growth for these solutions in the future:

Firstly, Meniga's revenue increased by 14% when comparing the prior 15 months - €7.1 million to €8.1 million. Meniga's annual run-rate of recurring revenue (revenue from long-term maintenance contracts and subscription-like license fees) increased 14% to approximately €4.2 million. Meniga added four new banks as customers and continued to grow the sales pipeline. Many prospective customers were at an advanced stage by year's end with good outlook for a strong growth in software license revenues in 2017/18 and beyond. Meniga further developed its sales pipeline for its new products, with an eye on launching these products in major markets in the near future in cooperation with major banks in these markets.

Secondly, Meniga completed implementation of its solutions with banks in Italy, Australia and Spain. As previously, Meniga's implementation projects are overall successful and add to its track record of delivering quality. Meniga also started several new implementation projects in 2016/17 that will go live in 2017/18 and are progressing well.

Thirdly, Meniga took major steps in its pilot market in Iceland towards new product development and validation. Meniga signed an agreement with one of the largest banks in Iceland to implement its card-linked offers (CLO) solutions as a part of the online banking experience. While the Icelandic pilot market has a small population, the users are sophisticated, the unit-metrics of usage are very strong, with high customer satisfaction of both end-users and merchants, and very high conversion rate (seen-to-redeemed) of the card-linked offers at around 10%. As far as we can tell, these metrics for card-linked marketing are stronger then seen elsewhere in the world and they hold great promise for Meniga in launching these solutions in larger markets in the near future.

Fourthly, Meniga secured €7.5 million in additional equity investment from new and existing investors to support continued investment in R&D and business development of the analytics and marketing solutions. Due to the high level of investment in R&D, Meniga capitalized around EUR 1.3 million of its R&D cost compared to 1.5 million in 2015/16 (15 months). According to the income statement, total income was EUR 8.1 million and the loss for the year 2016/17 amounted to EUR 6.4 million with almost €2 million attributed to foreign exchange loss related to intercompany transactions. Meniga's loss is mainly due to the heavy investment in Meniga's marketing and analytics solutions. Equity at year end amounted to EUR 11.5 million.

2016/17 Key Performance Indicators overview

- Revenue: € 8.1 million
- Revenue growth: 14%
- Annual run-rate growth: 14%
- EBITDA: € 3.6 million loss
- New customers signed: 4 customers
- Awards and recognitions: 6 awards
- Implementation projects completed: 3
- Offers seen to redeem ratio: 5-10%
- Average tenure of employees: 33 months
- Happiness level of employees: 74%
- Design sprints completed: 6
- Testing of new product functionality: 20 user tests in 4 countries (outside of Meniga)

ON BEHALF OF THE BOARD:

Ásgeir Örn Ásgeirsson
....
Director - A O ASGEIRSSON

Date: 19.12.2017

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2017

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2017.

The Directors deem the individual parent company to be a going concern, despite continuing losses in the parent company, due to the strength of the group as a whole and the future sale contracts in the pipeline.

PRINCIPAL ACTIVITY
The principal activity of the company in the period under review was that of providing personal finance management system and next-generation online banking solutions.

DIVIDENDS
No dividends will be distributed for the year ended 31 March 2017.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

A O Asgeirsson
S Egilsson
Mrs S Gunnarsdottir
G Hafsteinsson
A Luchsinger
W A Willemstein
Mrs H H Hakonardottir

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2017

AUDITORS
The auditors, Oury Clark Chartered Accountants, are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

Asgeir Örn Asgeirsson
....
Director - A O ASGEIRSSON

Date: 19/12/2017

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENIGA LIMITED

We have audited the financial statements of Meniga Limited for the year ended 31 March 2017 on pages ten to thirty. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to note 2 in the Notes to the Consolidated Financial Statements and the opening paragraph of the Report of the Directors.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the group and the parent company and its environment, we have not identified any material misstatements in the Group Strategic Report or the Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MENIGA LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

OuryClark

Emma Crowley (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

Date: 13/12/17

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the Year Ended 31 March 2017

	Notes	Year Ended 31.3.17 €	Period 1.1.16 to 31.3.16 €
CONTINUING OPERATIONS			
Revenue		8,117,427	2,336,983
Other operating income		9,899	-
Administrative expenses		(11,955,848)	(2,780,832)
OPERATING LOSS		(3,828,522)	(443,849)
Finance costs	4	(2,380,504)	(729,565)
Finance income	4	5,279	289
LOSS BEFORE INCOME TAX	5	(6,203,747)	(1,173,125)
Income tax	6	(241,754)	319,716
LOSS FOR THE YEAR		(6,445,501)	(853,409)
Loss attributable to:			
Owners of the parent		(6,445,501)	(853,409)

The notes form part of these financial statements

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 31 March 2017

	Year Ended 31.3.17 €	Period 1.1.16 to 31.3.16 €
LOSS FOR THE YEAR	(6,445,501)	(853,409)
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit or loss:		
Foreign exchange on consolidation	1,349,058	311,119
Other reserves	96,144	-
Share option reserve	173,514	-
Income tax relating to items of other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	1,618,716	311,119
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(4,826,785)	(542,290)
Total comprehensive income attributable to:		
Owners of the parent	(4,826,785)	(542,290)

The notes form part of these financial statements

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 March 2017

	Notes	31.3.17 €	31.3.16 €
ASSETS			
NON-CURRENT ASSETS			
Goodwill	8	913,706	1,029,455
Intangible assets	9	3,799,873	2,578,176
Property, plant and equipment	10	43,756	91,607
Investments	11	-	-
Deferred tax	19	428,331	1,115,634
		5,185,666	4,814,872
CURRENT ASSETS			
Trade and other receivables	12	6,602,240	2,808,444
Tax receivable		509,468	548,981
Cash and cash equivalents	13	4,144,731	274,223
		11,256,439	3,631,648
TOTAL ASSETS		16,442,105	8,446,520
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	14	136,434	108,139
Share premium	15	11,348,129	3,917,892
Forex on consolidation	15	874,442	311,119
Capital reserve Consolidation	15	228,320	228,320
Merger Relief Reserve	15	7,366,746	7,366,746
Other reserves	15	(26,501)	(122,645)
Share option reserve	15	173,514	-
Retained earnings	15	(13,763,682)	(7,318,181)
TOTAL EQUITY		6,337,402	4,491,390
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	16	6,405,294	-
CURRENT LIABILITIES			
Trade and other payables	16	3,648,116	2,848,424
Financial liabilities - borrowings			
Bank overdrafts	17	-	1,078,011
Tax payable		51,293	28,695
		3,699,409	3,955,130
TOTAL LIABILITIES		10,104,703	3,955,130
TOTAL EQUITY AND LIABILITIES		16,442,105	8,446,520

The financial statements were approved by the Board of Directors on 19.12.2017 .... and were signed on its behalf by:

The notes form part of these financial statements

continued...

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31 March 2017

Ásgeir Örn Ásgeirsson
....
Director - A O ASGEIRSSON

MENIGA LIMITED (REGISTERED NUMBER: 08822710)

COMPANY STATEMENT OF FINANCIAL POSITION
31 March 2017

	Notes	31.3.17 €	31.3.16 €
ASSETS			
NON-CURRENT ASSETS			
Goodwill	8	-	-
Intangible assets	9	3,793,754	2,472,619
Property, plant and equipment	10	-	-
Investments	11	7,569,230	7,432,628
Deferred tax	19	-	1,106,638
		11,362,984	11,011,885
CURRENT ASSETS			
Trade and other receivables	12	6,069,794	1,827,518
Tax receivable		509,468	548,981
Cash and cash equivalents	13	725	26,561
		6,579,987	2,403,060
TOTAL ASSETS		17,942,971	13,414,945
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	14	136,434	108,139
Share premium	15	11,348,129	3,917,892
Forex on consolidation	15	163,571	(240,939)
Merger Relief Reserve	15	7,366,746	7,366,746
Other reserves	15	-	(96,144)
Share option reserve	15	173,514	-
Retained earnings	15	(12,763,373)	(7,031,396)
TOTAL EQUITY		6,425,021	4,024,298
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	16	1,000,000	-
CURRENT LIABILITIES			
Trade and other payables	16	10,517,950	9,390,647
TOTAL LIABILITIES		11,517,950	9,390,647
TOTAL EQUITY AND LIABILITIES		17,942,971	13,414,945

The financial statements were approved by the Board of Directors on 19.12.2017 and were signed on its behalf by:

Ásgeir Örn Ásgeirsson

Director - A O ASGEIRSSON

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2017

	Called up share capital €	Retained earnings €	Share premium €	Forex on consolidation €
Balance at 1 January 2016	90,831	(6,464,772)	-	-
Changes in equity				
Issue of share capital	17,308	-	3,917,892	-
Total comprehensive income	-	(853,409)	-	311,119
Balance at 31 March 2016	108,139	(7,318,181)	3,917,892	311,119
Changes in equity				
Issue of share capital	28,295	-	7,430,237	-
Total comprehensive income	-	(6,445,501)	-	563,323
Balance at 31 March 2017	136,434	(13,763,682)	11,348,129	874,442

	Capital reserve Consolidation €	Merger Relief Reserve €	Other reserves €	Share option reserve €	Total equity €
Balance at 1 January 2016	228,320	7,366,746	(96,215)	-	1,124,910
Changes in equity					
Issue of share capital	-	-	-	-	3,935,200
Total comprehensive income	-	-	-	-	(542,290)
Foreign exchange movement	-	-	(26,430)	-	(26,430)
Balance at 31 March 2016	228,320	7,366,746	(122,645)	-	4,491,390
Changes in equity					
Issue of share capital	-	-	-	-	7,458,532
Total comprehensive income	-	-	96,144	173,514	(5,612,520)
Balance at 31 March 2017	228,320	7,366,746	(26,501)	173,514	6,337,402

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 March 2017

	Called up share capital €	Retained earnings €	Share premium €	Forex on consolidation €
Balance at 1 January 2016	90,831	(6,464,771)	-	-
Changes in equity				
Issue of share capital	17,308	-	3,917,892	-
Total comprehensive income	-	(566,625)	-	(240,939)
Balance at 31 March 2016	108,139	(7,031,396)	3,917,892	(240,939)
Changes in equity				
Issue of share capital	28,295	-	7,430,237	-
Total comprehensive income	-	(5,731,977)	-	404,510
Balance at 31 March 2017	136,434	(12,763,373)	11,348,129	163,571

	Merger Relief Reserve €	Other reserves €	Share option reserve €	Total equity €
Balance at 1 January 2016	7,366,746	(96,215)	-	896,591
Changes in equity				
Issue of share capital	-	-	-	3,935,200
Total comprehensive income	-	-	-	(807,564)
Foreign exchange movement	-	71	-	71
Balance at 31 March 2016	7,366,746	(96,144)	-	4,024,298
Changes in equity				
Issue of share capital	-	-	-	7,458,532
Total comprehensive income	-	96,144	173,514	(5,057,809)
Balance at 31 March 2017	7,366,746	-	173,514	6,425,021

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 March 2017

	Notes	Year Ended 31.3.17 €	Period 1.1.16 to 31.3.16 €
Cash flows from operating activities			
Cash generated from operations	1	(5,726,607)	(645,393)
Interest paid		(2,380,504)	(729,565)
Tax paid		507,660	63,887
Net cash from operating activities		(7,599,451)	(1,311,071)
Cash flows from investing activities			
Purchase of intangible fixed assets		(1,321,135)	(216,128)
Interest received		5,279	289
Net cash from investing activities		(1,315,856)	(215,839)
Cash flows from financing activities			
New loans in year		6,405,294	-
Share issue		28,295	3,727,952
Share premium		7,430,237	-
Net cash from financing activities		13,863,826	3,727,952
Increase in cash and cash equivalents		4,948,519	2,201,042
Cash and cash equivalents at beginning of year	2	(803,788)	(3,004,830)
Cash and cash equivalents at end of year	2	4,144,731	(803,788)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31 March 2017

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Year Ended 31.3.17 €	Period 1.1.16 to 31.3.16 €
Loss before income tax	(6,203,747)	(1,173,125)
Depreciation charges	263,038	61,483
Foreign exchange restatement	-	(17,294)
Share option movement	173,514	-
Foreign exchange movements in year	659,467	749,542
Finance costs	2,380,504	729,565
Finance income	(5,279)	(289)
	(2,732,503)	349,882
Increase in trade and other receivables	(3,793,796)	(1,209,753)
Increase in trade and other payables	799,692	214,478
Cash generated from operations	(5,726,607)	(645,393)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2017

	31.3.17 €	1.4.16 €
Cash and cash equivalents	4,144,731	274,223
Bank overdrafts	-	(1,078,011)
	4,144,731	(803,788)

Period ended 31 March 2016

	31.3.16 €	1.1.16 €
Cash and cash equivalents	274,223	225,693
Bank overdrafts	(1,078,011)	(3,230,523)
	(803,788)	(3,004,830)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 March 2017

1. STATUTORY INFORMATION

Meniga Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The Directors deem the individual parent company to be a going concern, despite continuing losses in the parent company, due to the strength of the group as a whole and the future sale contracts in the pipeline.

Functional and Presentational Currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in EUR, which is the Company's functional currency as all the business transactions are done in Euros.

Basis of consolidation
The consolidated accounts for the year ended 31st March 2017 consist of the results for the parent company and its two subsidiaries, all of whose accounts are made up to that date.

Revenue recognition
The group has three streams of revenue being:-
1. Professional services
2. Support and maintenance
3. License fees

Professional services and support & maintenance are recognised at the end of the month in which the service is provided, net of VAT.

The policy of recognising revenue for perpetual license fees and the first year fee in the case of annual license fees is:

100% of the license fee amount is recognised for perpetual licenses when all of the following conditions are fulfilled:
- an agreement with the customer has been signed by both parties
- the implementation process has started
- the cost of the implementation process is independent to the license fee

100% of the first year license fee is recognised for annual licenses depending on the definition of delivery in the contracts.

The group applies a general provision of 10% for all contracts until the live date for each one on the premise that one in every ten contracts will fail. This is reviewed annually and based on historical performance.

Goodwill
Purchased goodwill is recogised on historic cost and amortised over its estimated useful life.

continued...

2. **ACCOUNTING POLICIES - continued**

Intangible assets
Development costs incurred in respect of research and development for clearly defined projects whose outcome can be assessed with reasonable certainty are capitalised as intangible fixed assets where they are separately identifiable. These projects are considered to have a reasonable expectation that they will be technically feasible and commercially viable.

Expenditure on research and development is written off in the year in which it is incurred, unless expenditure relates to a clearly defined project and the outcome of the project is expected to be technically viable.

Intangible assets are stated at cost, less accumulated amortisation. The Group policy is to capitalise development expenditures if the development phase is longer then twelve months, the product or process is technically and commercially feasible and future economic benefits are probable. Amortisation is recognised on a straight-line basis, 33% per annum from the date that the relevant asset is fully operating.

Property, plant and equipment
Property, plant and equipment is recognised at historic cost less depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - straight line over 3 - 5 years

Financial instruments
A financial asset or liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, when it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into euros at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Employee benefit costs
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Deferred tax
Deferred tax is provided on all material timing differences, arising from the different treatment of transactions and events for financial statements and taxation purposes. Deferred tax is calculated at the rates at which it is estimated that the deferred tax balances are expected to reverse.

Statement of cash flows
The cash flow statement is presented using the indirect method.

continued...

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2017

2. ACCOUNTING POLICIES - continued

Fixed asset investments
Investments in subsidiaries are recorded at cost less impairment.

3. EMPLOYEES AND DIRECTORS

	Year Ended 31.3.17	Period 1.1.16 to 31.3.16
	€	€
Wages and salaries	5,895,713	1,894,810
Social security costs	535,284	36,795
Other pension costs	769,725	14,206
	7,200,722	1,945,811

The average monthly number of employees during the year was as follows:

	Year Ended 31.3.17	Period 1.1.16 to 31.3.16
Sales, Administration and Development	100	97

During the year, three employees, who Directors considered to be key management, received salaries of €287,001 and pension contribution of €7,785.

A Director received remuneration from a subsidiary during the year, amounting to €119,467 and pension contribution of €11,805. No Directors remuneration was paid directly from the parent company.

Two other Directors were compensated for their work via a subsidiary in the year, amounting to €20,839.

4. NET FINANCE COSTS

	Year Ended 31.3.17	Period 1.1.16 to 31.3.16
	€	€
Finance income:		
Interest received	5,279	289
Finance costs:		
Bank interest	48,162	44,061
Bank loan interest	617,798	-
Loan costs	20,677	-
Bank charges	7,524	-
Foreign exchange losses	1,686,343	685,504
	2,380,504	729,565
Net finance costs	2,375,225	729,276

continued...

5. **LOSS BEFORE INCOME TAX**

The loss before income tax is stated after charging:

	Year Ended 31.3.17 €	Period 1.1.16 to 31.3.16 €
Other operating leases	512,385	127,825
Depreciation - owned assets	66,919	17,246
Development costs amortisation	80,370	18,048
Auditors' remuneration	23,060	6,104
Other services relating to taxation	35,950	520
All other services	39,857	1,364

6. **INCOME TAX**

Analysis of tax expense/(income)

	Year Ended 31.3.17 €	Period 1.1.16 to 31.3.16 €
Current tax:		
Tax	(901,023)	(105,370)
(Over)/Underprovision of tax f rom prior year	27,143	-
Total current tax	(873,880)	(105,370)
Deferred tax	1,115,634	(214,346)
Total tax expense/(income) in consolidated statement of profit or loss	241,754	(319,716)

continued...

6. **INCOME TAX - continued**

Factors affecting the tax expense
The tax assessed for the year is higher (2016 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.3.17 €	Period 1.1.16 to 31.3.16 €
Loss before income tax	(6,203,747)	(1,173,125)
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	(1,240,749)	(234,625)
Effects of:		
Capital expenditure deductible for tax	-	(44,483)
Losses carried forward	987,890	258,831
Expenses not deductible for tax	(462,648)	3,926
Deferred tax movement	1,115,634	(214,346)
R&D enhanced deduction	(400,497)	(88,475)
Losses surrendered in exchange for R&D tax credit	708,571	156,530
R&D credit receivable	(513,714)	(113,484)
Other differences	20,122	(43,590)
Tax adjustment for prior year	27,145	-
Tax expense/(income)	241,754	(319,716)

7. **LOSS OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was €(5,731,977) (2016 - €(1,097,415)).

8. **GOODWILL**

Group

	€
COST	
At 1 April 2016 and 31 March 2017	1,042,652
AMORTISATION	
At 1 April 2016	13,197
Charge for year	115,749
At 31 March 2017	128,946
NET BOOK VALUE	
At 31 March 2017	913,706
At 31 March 2016	1,029,455

continued...

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2017

9. INTANGIBLE ASSETS

Group

	Development costs €
COST	
At 1 April 2016	2,594,820
Additions	1,321,135
Reclassification/transfer	(32,244)
At 31 March 2017	3,883,711
AMORTISATION	
At 1 April 2016	16,644
Amortisation for year	80,370
Reclassification/transfer	(13,176)
At 31 March 2017	83,838
NET BOOK VALUE	
At 31 March 2017	3,799,873
At 31 March 2016	2,578,176

Company

	Development costs €
COST	
At 1 April 2016	2,472,619
Additions	1,321,135
At 31 March 2017	3,793,754
NET BOOK VALUE	
At 31 March 2017	3,793,754
At 31 March 2016	2,472,619

continued...

10. PROPERTY, PLANT AND EQUIPMENT

Group

	Computer equipment €
COST	
At 1 April 2016	108,853
Reclassification/transfer	32,244
At 31 March 2017	141,097
DEPRECIATION	
At 1 April 2016	17,246
Charge for year	66,919
Reclassification/transfer	13,176
At 31 March 2017	97,341
NET BOOK VALUE	
At 31 March 2017	43,756
At 31 March 2016	91,607

11. INVESTMENTS

Company

	Shares in group undertakings €
COST	
At 1 April 2016	7,432,628
Additions	136,602
At 31 March 2017	7,569,230
NET BOOK VALUE	
At 31 March 2017	7,569,230
At 31 March 2016	7,432,628

continued...

11. INVESTMENTS - continued

Company

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Meniga AB
Registered office: Olofsgatan 10, 111 36 Stockholm, Sweden
Nature of business: Next generation online banking solutions

Class of shares:	% holding
Ordinary	100.00

	31.3.17 €	31.3.16 €
Aggregate capital and reserves	264,390	304,174
Profit for the year/period	209,738	201,471

Meniga Iceland EHF
Registered office: Smaratorg 3, 201 Kopavogur, Iceland
Nature of business: Next generation online banking solutions

Class of shares:	% holding
Ordinary	100.00

	31.3.17 €	31.3.16 €
Aggregate capital and reserves	6,781,213	7,570,514
(Loss)/profit for the year/period	(1,765,869)	106,292

12. TRADE AND OTHER RECEIVABLES

	Group 31.3.17 €	Group 31.3.16 €	Company 31.3.17 €	Company 31.3.16 €
Current:				
Trade debtors	1,070,300	1,128,820	661,925	759,973
Other debtors	4,168,521	54,433	4,088,803	54,277
VAT	84,195	-	11,975	-
Prepayments and accrued income	1,279,224	1,625,191	1,307,091	1,013,268
	6,602,240	2,808,444	6,069,794	1,827,518

13. CASH AND CASH EQUIVALENTS

	Group 31.3.17 €	Group 31.3.16 €	Company 31.3.17 €	Company 31.3.16 €
Cash in hand	487	-	487	-
Bank accounts	4,144,244	274,223	238	26,561
	4,144,731	274,223	725	26,561

continued...

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.17 €	31.3.16 €
69,856	Ordinary	£1	92,482	90,831
20,642	Series B	£1	24,176	17,308
16,885	Series C	£1	19,776	-
			136,434	108,139

The following fully paid shares were allotted during the year at a premium as shown below:

7,600 Series B shares of £1 each at £225.43 per share
16,885 Series C shares of £1 each at £280.19 per share

Ordinary shares carry full and equal rights to participate in voting in all circumstances, in dividends and in capital distributions, whether on a winding up or otherwise. The shares are not redeemable.

Series B shares carry full and equal rights in dividends or distributions declared or paid. The holders of Series B shares are entitled to cast such number of votes per Series B share held as they would be entitled to cast if all the Series B shares were converted into Ordinary Shares at the Conversion Rate detailed in the Articles. The Series B shares take second preference on a winding up after Series C shares..

Series C shares carry full and equal rights in dividends or distributions declared or paid, on winding up or otherwise. The shares are not redeemable. The holders of Series C shares are entitled to cast such number of votes per Series C shares held as they would be entitled to cast if all the Series C shares were converted into Ordinary Shares at the Conversion Rate detailed in the Articles. The Series C shares take first preference on a winding up.

15. RESERVES

Group

	Retained earnings €	Share premium €	Forex on consolidation €	Capital reserve Consolidation €
At 1 April 2016	(7,318,181)	3,917,892	311,119	228,320
Deficit for the year	(6,445,501)			
Foreign exchange movement	-	-	659,467	-
Transfer	-	-	(96,144)	-
Cash issue in the year	-	7,430,237	-	-
At 31 March 2017	(13,763,682)	11,348,129	874,442	228,320

continued...

15. RESERVES - continued

Group

	Merger Relief Reserve €	Other reserves €	Share option reserve €	Totals €
At 1 April 2016	7,366,746	(122,645)	-	4,383,251
Deficit for the year				(6,445,501)
Grant of share options	-	-	173,514	173,514
Foreign exchange movement	-	-	-	659,467
Transfer	-	96,144	-	-
Cash issue in the year	-	-	-	7,430,237
At 31 March 2017	7,366,746	(26,501)	173,514	6,200,968

Company

	Retained earnings €	Share premium €	Forex on consolidation €
At 1 April 2016	(7,031,396)	3,917,892	(240,939)
Deficit for the year	(5,731,977)		
Foreign exchange movement	-	-	500,654
Transfer	-	-	(96,144)
Cash issue in the year	-	7,430,237	-
At 31 March 2017	(12,763,373)	11,348,129	163,571

Company

	Merger Relief Reserve €	Other reserves €	Share option reserve €	Totals €
At 1 April 2016	7,366,746	(96,144)	-	3,916,159
Deficit for the year				(5,731,977)
Grant of share options	-	-	173,514	173,514
Foreign exchange movement	-	-	-	500,654
Transfer	-	96,144	-	-
Cash issue in the year	-	-	-	7,430,237
At 31 March 2017	7,366,746	-	173,514	6,288,587

continued...

16. TRADE AND OTHER PAYABLES

	Group		Company	
	31.3.17	31.3.16	31.3.17	31.3.16
	€	€	€	€
Current:				
Trade creditors	833,331	633,031	243,162	205,362
Amounts owed to group undertakings	-	-	9,367,255	8,747,613
Social security and other taxes	237,843	-	31,858	-
Other creditors	660,828	1,119,319	3,611	184,432
Accruals and deferred income	1,916,114	1,096,074	872,064	253,240
	3,648,116	2,848,424	10,517,950	9,390,647
Non-current:				
Other creditors	6,405,294	-	1,000,000	-
	6,405,294	-	1,000,000	-
Aggregate amounts	10,053,410	2,848,424	11,517,950	9,390,647

All amounts owed to group undertakings are repayable on demand, bear no interest and are unsecured.
The Directors do not foresee the subsidiaries demanding repayment on the parent entity in the foreseeable future.

17. FINANCIAL LIABILITIES - BORROWINGS

	Group	
	31.3.17	31.3.16
	€	€
Current:		
Bank overdrafts	-	1,078,011

The bank overdraft was refinanced by way of a long term debt facility agreement on 11 May 2016 for €4.2m for three years. The borrower is Meniga Iceland EHF and the facility is guaranteed by both Meniga Limited and Meniga AB. This loan was satisfied on 3 April 2017.

On 30 March 2017 Kvika Bank has provided the group with a loan facility of €2.5 million which was drawn down as at 30 March 2017, which is within non-current liabilities.

The above loans are secured over assets of the group.

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31.3.17	31.3.16
	€	€
Within one year	377,425	443,720
Between one and five years	554,475	504,504
	931,900	948,224

continued...

19. DEFERRED TAX

The group also has a potential additional deferred tax asset of €2,161,939, relating to unutilised tax losses in the UK parent company. The group has not recognised this asset due to the uncertainty of when it is likely to be crystallised.

Parent company's tax losses of £10,809,696, will be carried forward indefinitely against any future profits of the entity.

20. PENSION COMMITMENTS

The group operates several defined contribution pension schemes.

The total contributions for the period ended 31 March 2017 is €769,725 (2016: €190,890) in respect of the employees. No contributions has been made for Directors in the year to 31 March 2017 or the previous period to 31 March 2016. There was an outstanding payment of €108,417 (2016: €76,616) at the balance sheet date.

21. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

22. SHARE-BASED PAYMENT TRANSACTIONS

Meniga Limited has reserved shares of common stock for issuance as stock options.

Options granted under the plan expire 1-9 years from the date of the grant or 5 years after termination of the optionee's employment or other relationship with the company. Vesting time for options is up to 4 years usually with a 1 year cliff. The options are equity settled.

The share options have been valued indirectly based on the Black Scholes model. The assumptions used within the Black Scholes Model calculations were that the volatility is a constant over the time from grant date for each share option, interest rates are constant, no dividends will be paid during the options life and that there is no liquidity risk.

Expected volatility was determined using the historical changes in share options at the date of grant and adjusting for considerations of how long the Company had been

There was a stock-based compensation expense resulting from stock options of €173,514, recognized within wages.

For Non Qualifying (NQ) stock options the movement in the year was:

	Outstanding 31/03/2016	Granted	Forfeited	Exercised	Expired	Outstanding 31/03/2017
Number	8,607	1,775	981	0	0	9,401
Weighted Average Exercise Price	£111.41	£214.02	£200.92	£0.00	£0.00	£121.44
Weighted Average Fair Value	£31.43	£96.37	£74.57	£0.00	£0.00	£39.19

The number of shares that are exercisable as at 31 March 2017, have been fully vested, is 5,323 with a weighted average exercise price of £61.23.

Within the outstanding share options as at 31 March 2017 the exercise price ranges between £45 - £252.23.