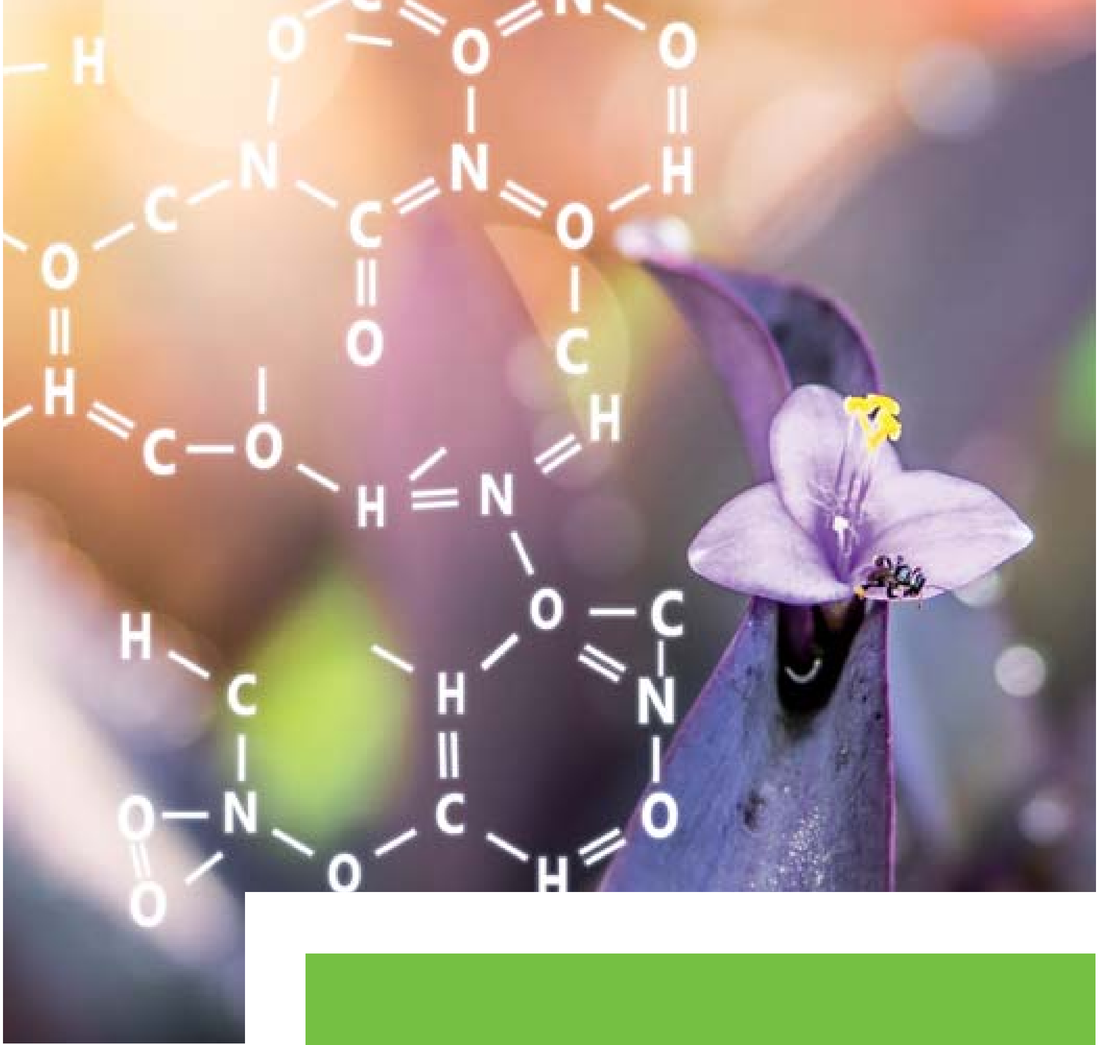
OVOCA bio

LIFE SCIENCE INVESTMENTS

Annual Report 2018



ANNUAL REPORT 2018

OVOCA BIO PLC (FORMERLY OVOCA GOLD PLC)
ANNUAL REPORT
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2018

CONTENTS

WELCOME

ANNUAL REPORT

OVOCA BIO PLC (FORMERLY OVOCA GOLD PLC) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

7.

CHIEF EXECUTIVE OFFICER (CEO)'S STATEMENT

1.

Dear Shareholders and Colleagues!

With the successful conclusion of last year's acquisition of IVIX LLC ("IVIX") and re-admission of the enlarged group on Euronext Dublin and the London Stock Exchange, the foundation was put in place for establishing Ovoca Bio Plc ("Ovoca", "the Company", "the Group") as a recognized developer of novel therapeutics for women's health, especially in the area of sexual dysfunction. Our colleagues at IVIX continue to build out our successful BP101 program, which you will have seen in March 2019 comfortably exceeded the efficacy and safety hurdles in its Phase 3 trial in Russia. As a result, we are now preparing to file for the drug's marketing approval in its first country, the Russian Federation, and actively pursuing discussions with potential licensing partners to commercialize there.

Looking more expansively, to realize the large global potential of BP101 and to build Ovoca's future pipeline, the Company will pursue its transformation further into an international biotechnology development company, growing its presence and relationships outside of the home territory. Over the course of this year and into the next, we will be seeking to strengthen our international team and advisers, and increasing our visibility and the familiarity of stakeholders with our exciting story and plans. Shortly, we plan to publish which scientific experts will be advising us on our current and future pipeline opportunities. In parallel with these initiatives, we shall, of course, be completing the remaining essential activities that BP101 requires to make it an attractive partnering candidate globally and worthy of further financing where we choose to retain commercial rights.

We trust you are as enthusiastic as we are about Ovoca's bright prospects in its new form. Moreover, we hope that last year's strong progress and our current plans help reinforce the view that Ovoca should be a company that investors want to be part of during its value-creating future.

Best regards,

Kirill Golovanov, CEO

2.

CHAIRMAN'S STATEMENT

Dear Stakeholders,

I reported last year how our business was at the intersection of two unfavorable trends and that action was required to insulate the Company from their effects. Our strategic review to address this identified the healthcare and biotechnology sectors as having many of the risk-reward features of our traditional business, but at the same time being less in the political cross hairs of nations in dispute. While the geopolitical unrest between Russia and the West shows no signs of improving, our decisive action in 2018 to acquire IVIX LLC and its promising clinical program directed to women's health should bring us more control over our future and make us less prone to international politics.

We continue to realize the assets of our former business in an orderly manner and the steady stream of strong findings in the clinic for BP101 and our plans to reproduce that internationally are helping to accelerate Ovoca's change in strategic direction. The Company maintains strong reserves of cash and liquid assets and these will support its repositioning activities. Nevertheless, much work needs to be done and the board and management recognize the paramount importance of building Ovoca's track record of success with its first drug candidate, growing its product pipeline, and delivering on its commitments to a new set of stakeholders in a timely way. All of this we consider to be necessary in order to attract strong commercial partners, build an enthusiastic investor following and, ultimately, bring new treatments to the patients that really need them.

Sincerely,

Mikhail Mogutov, Chairman

3.

COMPANY INFORMATION AND OVERVIEW

OVOCA BIO PLC (FORMERLY OVOCA GOLD PLC)
ANNUAL REPORT
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2018

INTRODUCTION

Ovoca Bio plc (Ovoca) is a biopharmaceutical company focused on identifying and developing novel therapeutics targeting the large unmet needs in the treatment of female sexual dysfunction. In September 2018 Ovoca acquired a majority interest and integrated into its Group a Russianincorporated company IVIX LLC (IVIX), a company that has sought to develop and commercialize its investigational drug candidate, BP101, for the treatment of female sexual dysfunction, since its formation in 2012.

BP101 is a novel synthetic peptide, administered through a nasal spray. Clinical studies completed to-date have demonstrated statistically significant efficacy in the treatment of a major form of female sexual dysfunction.

So far, IVIX has reached and completed Phase III clinical studies in Russia for BP101. The Group now intends to seek approval for the marketing of BP101 in the Russian market, as well seek to expand its use internationally.

PERFORMANCE HIGHLIGHTS

Since Ovoca announced the acquisition of Russian biotechnology firm, IVIX LLC, on 4th July 2018, Ovoca has made considerable progress in implementing its strategic refocus away from gold mining and development. In particular, Ovoca achieved notable success in the following areas in 2018:

- Completion of the acquisition of IVIX on 25th September 2018;
- Recruitment of patients ahead of schedule to the Russian Phase 3 clinical trial of BP101, the Company's first drug candidate for the treatment of female sexual dysfunction;
- External expert review of BP101 preclinical and scientific data has been conducted and a programme identified to address all the regulatory needs for clinical development in the EU and United States.

OPERATIONAL HIGHLIGHTS

In July 2018, Ovoca announced its proposed acquisition of IVIX and a strategic refocus of its core business from mining to biotechnology. After obtaining the approval of Ovoca's shareholders, meeting the terms and conditions of the agreements attaching to the transaction, and completing necessary corporate arrangements in Russia, Ovoca completed the acquisition of IVIX LLC on 25th September 2018. BP101 is now Ovoca's first investigational drug, consisting of a novel synthetic peptide that is being developed for the treatment of a major form of female sexual dysfunction called hypoactive sexual desire disorder (HSDD). There is a high unmet medical need in HSDD with a lack of safe and effective treatment options currently available. HSDD is a distressing condition involving a lack or loss of sexual desire in women and affects a large number of adults in the United States and Europe. IVIX, initiated a Phase 3 therapeutic clinical study in Russia in 2017 and will allow the Group to apply for marketing authorization of BP101 in its first market, Russia.

After IVIX's acquisition by Ovoca, the enlarged group continued to make strong progress with the development of BP101 for HSDD treatment. In late 2018, patient recruitment in the Russian Phase 3 clinical study was completed early based on the findings of an independent Data Monitoring Committee (DMC) established to monitor the blinded data from the study. As part of the clinical trial study protocol, a pre-planned interim analysis of the study data was performed by the DMC for the primary endpoint – change from baseline in the mean number of satisfying sexual events (SSEs). The interim analysis results showed statistically significant superiority of BP101 compared with placebo, which allowed the decision to be made to complete patient recruitment for the study.

Also, as a result of consultation with external regulatory affairs experts, further preparation has been made towards readying BP101 for clinical development in the United States and Europe: a systematic analysis of BP101 preclinical and scientific data was completed, which allowed identification of potential gaps to be addressed before regulatory approval would be forthcoming in Western countries. The Group has used this assessment to modify its ongoing preclinical and regulatory affairs activities and update its development timelines.

STRATEGIC DEVELOPMENTS SINCE YEAR END

Following a planned interim analysis conducted by an independent Data Monitoring Committee (DMC), in Q1 2019 the DMC recommended to stop the trial early as the primary endpoint has reached its pre-specified criteria for superiority. That allowed IVIX to complete its Russian Phase 3 clinical study of BP101 ahead of the Strategic Plan (announced previously in the Admission Document) and to announce positive outcomes for both primary and secondary endpoints compared to placebo control. For the secondary endpoints that are important from a regulatory approval perspective – Female Sexual Function Index (FSFI) Desire domain and Female Sexual Distress Scale-revised (FSDR-R) Item 13, which measures distress related with the lack of desire - there was shown statistically and clinically significant superiority of BP101 over placebo. Furthermore, a favorable safety profile of BP101 was demonstrated in the Phase 3 study, confirming the safety of BP101 since in all previous clinical studies.

On 1st March 2019 IVIX was granted patent No 234753 in Israel covering any use for a large list of peptide variants based on BP-101. This patent adds to IVIX's issued patent portfolio consisting of a Russian patent with the same coverage, and a U.S. patent protecting any pharmaceutical application of peptides in the same list.

OUR PRODUCT

BP101

Ovoca's first product, BP101, is an investigational drug comprising a novel synthetic peptide, that is being developed for the treatment of one of the major forms of female sexual dysfunction – hypoactive sexual desire disorder (HSDD), for which there is a high unmet medical need with a lack of safe and effective treatment options. HSDD is a distressing condition of lack or loss of sexual desire in women, which affects a significant number of adult females in the United States and Europe. BP101 was in a Phase 3 randomized, double blind, and placebo-controlled clinical study in Russia during 2018 to confirm the results of a prior efficacy study, which will allow the Group to apply for marketing authorization of BP101 in Russia.

Female sexual dysfunction ("FSD") is estimated to affect a significant portion of the female population in US and EU countries. Examples of FSD may include hypoactive sexual desire disorder ("HSDD") and female sexual arousal disorder ("FSAD"). In a research paper published by Shifren J.L. et al1, nearly 10% of premenopausal women in a large US survey reported distressing low desire for sexual activity. According to the Women's International Study of Health and Sexuality2, the prevalence of HSDD ranged from 6–13 per cent. in Europe, and the proportion of women with low desire associated with distress was significantly higher in younger women in comparison with older women.

BP101 has already demonstrated promising results for the treatment of patients with HSDD in the Phase 2 randomized, double-blind, placebo-controlled study in female patients with lack or loss of sexual desire, where BP101 significantly increased sexual desire and the number of SSEs and orgasms in premenopausal women compared with the placebo, while demonstrating a favorable safety and tolerability profile. In early 2018, IVIX started to enroll patients into its Russian Phase 3 clinical study to confirm the efficacy and safety seen with BP101, and with the intention of applying later in 2019 for marketing authorization in Russia and potentially other Eurasian Economic Union countries for BP101 based on the results of this single Phase 3 study.

1 Shifren JL et al. Sexual Problems and Distress in United States Women: Prevalence and Correlates. ObstetGynecol 2008;112 (5); 968-9 .

2 Nappi RE, Martini E, Terreno E, et al. Management of hypoactive sexual desire disorder in women: current and emerging therapies. International Journal of Women's Health. 2010; 2:167-175).

INTELLECTUAL PROPERTY

Obtained patents:

Russia:

- Patent № 2507212 «Method for Producing a Recombinant Peptide and Resultant Peptide», Priority year 2012;
- Patent № 2626002, priority year 2016, "New group of peptides for treatment of Female Sexual Dysfunction";
- Patent № 2655763, priority year 2016, "Pharmaceutical composition and method of treatment of Female Sexual Dysfunctions".

USA:

- «Method for Producing a Recombinant Peptide and Resultant Peptide», US9409947B2, priority year 2012.

Israel:

- «Method for Producing a Recombinant Peptide and Resultant Peptide», 234753, priority year 2012.

Applications of PCT «Method for Producing a Recombinant Peptide and Resultant Peptide», PCT/RU2013/000433 prosecuted in the following countries:

Country	Filed	Serial no.
China	05.28.2013	№201380028491.4
EU	05.28.2013	№13772776.4
Japan	05.28.2013	№2015-503152
India	05.28.2013	№8984/DELNP/2014
Canada	05.28.2013	№2,868,820
South Korea	05.28.2013	№10-2014-7030301
Brazil	05.28.2013	№BR 11 2014 023888 0

CLINICAL TRIALS UPDATE

Since the acquisition of IVIX in Q3 2018 the Group was continuing to run its Phase 3 clinical study of BP101 in Russia. In Q1 2019 the pre-specified interim analysis was performed, and statistically significant superiority of BP101 compared with placebo in terms of the study primary endpoint – change from baseline in the mean number of satisfying sexual events (SSEs) after the first month of treatment, was shown. The independent Data Monitoring Committee (DMC) has reviewed the interim analysis results and has recommended to IVIX to early complete the trial due to early efficacy demonstration.

In line with DMC recommendation, IVIX has decided to early stop the patients' recruitment to the BP101-SD02-RUS Phase 3 study and to start preparations for early study completion. Corresponding interim clinical trial report was sent to Russian Ministry of Health (Regulatory Authority).

FUTURE DEVELOPMENT FOR BP101 ASSET

To pursue Ovoca's strategy to develop BP101 in Western markets, and in particular the United States and Europe, the Group has undertaken a number of planning activities in consultation with external regulatory affairs experts. A systematic analysis of BP101 preclinical and scientific data was completed, which allowed identification of potential gaps to be addressed before regulatory approval would be forthcoming in Western countries. The Group has used this assessment to modify its ongoing pre-clinical and regulatory affairs activities and update its development timelines.

4.

DIRECTORS AND CORPORATE INFORMATION

OVOCA BIO PLC (FORMERLY OVOCA GOLD PLC)
ANNUAL REPORT
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2018

Directors

Mikhail Mogutov
Executive Chairman

Kirill Golovanov
CEO (Executive Director)

Yuri Radchenko
Non-Executive Director

Leonid Skoptsov
Non-Executive Director

Timothy McCutcheon
Non-Executive Director

Nikolay Myasodev (appointed 27 July 2018)
Non-Executive Director

Christopher Wiltshire (appointed 27 July 2018)
Non-Executive Director

Romulo Colindres (appointed 27 July 2018)
Non-Executive Director

Kenneth Kuchling (resigned 27 July 2018)
Non-Executive Director

Donald Schissel (resigned 27 July 2018)
Non-Executive Director

Registered Office
17 Pembroke Street Upper
Dublin 2
D02 AT22

Business Address
17 Pembroke Street Upper
Dublin 2
D02 AT22

Other Business Information
Svetlana Radchenko
Chief Financial Officer

Kirill Golovanov
Corporate Secretary

Registration number:
105274

Incorporated:
15 January 1985

Web site
www.ovocabio.com

Principal banker
Allied Irish Banks plc
Terenure Road
Rathgar
Dublin 6
Ireland

Auditors
Grant Thornton
Chartered Accountants &
Statutory Audit Firm
13 – 18 City Quay
Dublin 2
D02 ED70
Ireland

Solicitors
OBH Partners
17 Pembroke Street Upper
Dublin 2
D02 AT22

Nominated Adviser and Euronext Growth Advisor
Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Registrars
Computershare Investor
Services (Ireland) Limited
3100 Lake Drive, Citywest
Business Campus, Dublin 24,
D24 AK82

5.

DIRECTORS' REPORT

OVOCA BIO PLC (FORMERLY OVOCA GOLD PLC)
ANNUAL REPORT
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2018

The Directors present their annual report and audited financial statements for the financial year ended 31 December 2018 of Ovoca Bio plc (formerly Ovoca Gold plc) ("the Company"), a company registered and domiciled in the Republic of Ireland and its subsidiaries (collectively "the Group").

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Group's activity is that of a bio-technology company following the acquisition of the interests in IVIX LLC during the year. On 27 July 2108 the Company changed its name to Ovoca Bio Public Limited Company from Ovoca Gold Public Limited Company. Following the acquisition, the Company announced its intention for dispose of its remaining property and equipment.

The Directors have reviewed the financial position of the Group and are satisfied that the Group will continue to operate for the foreseeable future. A detailed business review is included in the Company information and overview.

KEY PERFORMANCE INDICATORS

At this stage of the Group's business activities the Directors think it is appropriate to limit the Key Performance Indicators (KPIs) used to monitor progress in the delivery of the Group's strategic objectives, to assess actual performance against targets and to aid management of the business.

The Board monitors relevant KPIs, which it considers appropriate for managing the activities inherent in exploration and appraisal operations. The KPIs for the Group are as follows:

Financial KPIs

- Shareholder return – the performance of the share price;
- Research and development costs – Pharmaceutical related research and development costs.

Non-financial KPIs

- Regulatory approval of biopharmaceutical products;
- Development and commercialisation partnerships formed with third parties.

RESULTS AND DIVIDENDS

The results of the Group are disclosed on page 30 of the financial statements. The directors did not recommend the payment of a dividend.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's operating activities are principally carried out in Russia. Accordingly, the principal risks and uncertainties detailed below have been identified. The Group seeks to minimise the effects of these risks through careful monitoring of the risks on an ongoing basis.

- Political Risk: As a consequence of activities in different parts of the world, the Group may be subject to political, economic and other uncertainties, including but not limited to terrorism, war or unrest, changes in national laws and energy policies and exposure to different legal systems.
- Legal Risk: As a consequence of the Group business portfolio of pharmaceutical interests, the Group may be numerous legal risks, particularly in the areas of product liability, competition, and patent disputes.
- Competition Risk: The biotechnology and pharmaceutical industries are very competitive. The Group's competitors, including include major multinational pharmaceutical companies, biotechnology companies and research institutions. Many of its competitors have substantially greater financial, technical and other resources, such as larger research and development staff. The Group's competitors may succeed in developing, acquiring or licensing drug product candidates that are earlier to market, more effective or less costly than any product candidate which the Group is currently developing or which it may develop and this may have a material adverse impact on the Group.

- Clinical trials: Clinical trials are expensive, time consuming and difficult to design and implement and involve uncertain outcomes. Furthermore, results of earlier pre-clinical studies and clinical trials may not be predictive of results of future pre-clinical studies or clinical trials. The Group continuously monitors the outcomes and costs of ongoing clinical trials.
- Regulation: The regulatory approval processes of the regulatory agencies may be lengthy, time-consuming and the outcome is unpredictable.
- Market Risk: Factors beyond the control of the Group may affect the marketability of its securities. Prices are subject to fluctuation and are affected by factors beyond the control of the Group. The effect of these factors on the Group's operations cannot be accurately predicted. Fluctuations in stock market prices affect the Group's Equity securities at fair value through other comprehensive income (FVOCI). The Group seek to minimise this risk by closely monitoring stock market movements on an ongoing basis. A detailed sensitivity analysis of the impact of changes in the market price of securities is available at Note 19.
- Foreign Exchange Risk: Exchange rate fluctuations may affect the cost that the Group incurs with its operations. Any fluctuations of the Euro and Russian Rouble against the US Dollar may have a significant impact on the Company's financial position and results in future.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

	Financial Assets		Financial Liabilities	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	€'000	€'000
United States Dollar	15,752	21,131	986	-
Russian Rouble	143	1,694	12	8

The following table details the Group's sensitivity to a 10% increase and decrease in the Euro against United States Dollar and Russian Rouble. 10% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates, it assumes that all other variables, in particular bank interest rates, remain constant and ignores the impact of forecast sales and purchases

	United States Dollar Impact		Russian Rouble Impact	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	€'000	€'000
Profit or loss	1,342	2,134	12	170

- Credit Risk: this refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining significant collateral, where appropriate, as a means of mitigating the risk of financial loss from defaulters. The table below analyses the maximum exposure of the Group's financial assets which are subject to credit risk:

	Group	Group	Group	Group
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	US$'000	US$'000
Trade and other receivables	138	-	158	-
Cash and cash equivalents (Note 22)	1,823	5,546	2,008	6,643
Total	1,961	5,546	2,166	6,643

The Group continuously monitors defaults of customers and other counterparty, identified either individually or by the Group, and incorporates this information into its credit risk controls. In relation to the credit risk for cash and cash equivalents, the risk is considered to be negligible, since the counterparties are reputable banks with high quality external credit ratings. The Group's management considers that all of the above financial assets are of good credit quality, as the Group's policy is to deal only with creditworthy customers.

- Liquidity Risk: is the risk that the Group will not have the sufficient funds to meet its liabilities. The Group holds its cash in currencies in which it expects to incur expenditure, including Euros, US Dollar and Russian Roubles. The Group's reporting currency is the Euro. The most meaningful information relates to the Group's current liquidity – since it is not generating any income from its mineral projects.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the earliest date on which the Group can be required to pay. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 1 year equal to their carrying values, as the impact of the discounting is not significant.

	Group	Group	Group	Group
Balances due within 1 year	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	US$'000	US$'000
Trade and other payables (Note 27)	178	41	202	49
Borrowings (Note 28)	989	-	1,133	-
Total	1,067	41	1,335	49

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and available for sale financial assets. The Group's current cash resources (Note 22), trade and other receivables (Note 21) and equity securities at FVOCI (Note 19) significantly exceed the current cash outflow requirements.

DIRECTORS, SECRETARY AND THEIR INTERESTS

In accordance with Section 329 of the Companies Act 2014, the interests (all of which are beneficial) of the Directors and Secretary who held office at the date of approval of the annual report and at 31 December 2018 and their families in the share capital of the Company were:

	Ordinary shares of 12.5 cents each			Options over Ordinary shares		
Director	18/06/2019	31/12/2018	01/01/2018	23/04/2019	31/12/2018	01/01/2018
Kirill Golovanov	19,506,203	19,506,203	19,506,203	2,200,000	-	-
Mikhail Mogutov	-	-	-	2,200,000	-	-
Leonid Skoptsov	11,656,203	11,656,203	11,656,203	200,000	-	-
Yuri Radchenko	10,002,077	10,002,077	11,656,202	200,000	-	-
Timothy McCutcheon	-	-	-	200,000	-	-
Nikolay Myasodev	1,654,125	1,654,125	-	200,000	-	-
Christopher Wiltshire	-	-	-	200,000	-	-
Romulo Colindres	-	-	-	200,000	-	-

Further details of the above share options, issued after the year end, to the directors are as follows:

Director	Date Granted	Number of options	Exercise Price	Vesting period
Kirill Golovanov	27 March 2019	2,200,000	£0.125	3 years
Mikhail Mogutov	27 March 2019	2,200,000	£0.125	3 years
Leonid Skoptsov	27 March 2019	200,000	£0.125	3 years
Yuri Radchenko	27 March 2019	200,000	£0.125	3 years
Timothy McCutcheon	27 March 2019	200,000	£0.125	3 years
Nikolay Myasodev	27 March 2019	200,000	£0.125	3 years
Christopher Wiltshire	27 March 2019	200,000	£0.125	3 years
Romulo Colindres	27 March 2019	200,000	£0.125	3 years

Mr. Kenneth Kuchling and Mr Donald Schissel retired as Directors on 27 July 2018 and Mr. Nikolay Myasodev, Christopher Wiltshire and Mr. Romulo Colindres were appointed as Directors on the same date.

SHARE PRICE

The Company's shares are primarily traded on the Euronext Growth Market of Euronext Dublin, and the Alternative Investment Market (AIM) of the London Stock Exchange. The Company's shares are also traded on the Frankfurt, Berlin, Munich and Stuttgart exchanges.

The market price of the Company's shares on the Euronext Growth Market (OVXA.IR) at 31 December 2018 was €0.105 (2017: €0.08). During the financial year ended 31 December 2018 the market price of the Company's shares ranged from €0.08 to €0.13 (2017: €0.08 to €0.16).

The market price of the Company's share on AIM (OVB.LSE) at 31 December 2018 was £0.07 (2017: £0.11). During the financial year ended 31 December 2018 the market price of the Company's shares ranged from £0.07 to £0.11 (2017: £0.08 to £0.14).

SIGNIFICANT SHAREHOLDERS

So far as the Directors are aware, the names of the persons other than the Directors who, directly or indirectly, are interested in 3 per cent or more of the issued share capital of the Company as at 17 June 2019 are as follows:

	Ordinary shares of €1.25c each	% of issued share capital
Euroclear Nominees Limited	18,306,747	20.70
Pickco Trading Co Limited	7,928,531	8.96
BBHISL Nominees (HSBC)	7,611,143	8.60
Davy Crest Nominees	5,684,782	6.43
Citibank Nominees (Ireland)	3,961,613	4.48
Chase Nominees Limited	3,231,200	3.65

GROUP UNDERTAKINGS

Details of the Company's subsidiary undertakings are set out in Note 18 to the financial statements.

DIRECTORS' INTEREST IN CONTRACTS

None of the Directors had a beneficial interest in any contract to which the Company or Group was a party during the period except as detailed in Note 29.

POLITICAL DONATIONS

The Group made no political donations during the financial year.

RESARCH AND DEVELOPMENT ACTIVITES

Expenditure on the research phase of projects to develop new pharmaceutical products is recognised as an expense as incurred. During the year, the Group incurred research and development costs of €'000 484 (US$'000 572).

GOING CONCERN

The Group has significant liquid resources in the form of cash reserves of €1.8 million and equity investments which can be readily liquidated for €14.1 million at the year end. On 7 February 2019, the Board of Directors approved management plans and forecasts which will allow them to liquidate the equities securities measured at FVOCI to fund the activities of the Group. The Directors are satisfied that there are sufficient levels of funding within the Group to enable them to trade for the foreseeable future, and to explore further investment opportunities if appropriate projects exist.

The Directors consider that in preparing the financial statements that they have taken into account all information that could reasonably be expected to be available. On this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

DETAILS OF EXECUTIVE DIRECTORS

Mikhail Alexandrovich Mogutov, Executive Chairman

Mr. Mogutov joined the board of Ovoca in June 2006 and became Chairman in 2008. In 1988, Mr. Mogutov was a founder of the Bioprocess Group, which was an asset management and business-development company with interests in various industries. One notable success of the Bioprocess Group is OAO "United Machinery Plants" (OMZ), which is Russia's largest machine building company producing the majority of Russian-made oilrigs and mining/drilling equipment. In 1996, OMZ was the first Russian company to list on the London Stock Exchange.

Between 1997 and 1999 Mr. Mogutov was the Chairman of Vostsibugol, one of Russia's largest coal mining enterprises, with an annual output of over 13 million tons of coal. He became increasingly active in natural resource development after 1999 and in 2006, he was part of the Group that vended into Ovoca Bio plc (formerly Ovoca Gold plc) 100% of OAO Ajax - the owner of the high grade Goltsovoye silver project in the Magadan Region, Russia.

Doctorate, Moscow Physics-Technical Institute, Moscow, Russia. Fluent in Russian and English.

Kirill Golovanov, Chief Executive Officer

Mr. Golovanov joined Ovoca as a corporate advisor in 2007 and moved to be the manager of the Company's Russia representative office in 2009. During his time at Ovoca he played a major role in the development and subsequent sale of the Goltsovoye silver deposit. He has extensive experience in mining and corporate law, as well as working experience at leading Russian enterprises, such as Gazprombank and Vneshekonombank. Additionally, he was a department manager in the Federal Service on Bankruptcy and Finance Restoration – a subdivision of the Russian Federation Ministry of Finance.

JD, Moscow State Law Academy, Moscow, Russia. MBA, Duke University's Fuqua School of Business, NC, USA. Fluent in Russian and English.

DETAILS OF NON-EXECUTIVE DIRECTORS

Yuri Ivanovich Radchenko, Non-Executive Director

Mr. Radchenko became a board member of Ovoca in June 2006. Mr. Radchenko is a Magadan resident and has a long history of natural resource development in the region. He was deeply involved in the development of the Julietta gold-silver mine by Bema Gold Corporation and he is currently the Chairman of Julietta's operating company. Additionally, he was the discoverer of the Lunnoye silver deposit, which is now one of OAO Polymetal's core assets. He was part of the group that vended into Ovoca Bio plc (formerly Ovoca Gold plc) 100% of OAO Ajax – Goltsovoye.

MS Geology, Kazakhstan Polytechnical Institute, Almaty, Kazakhstan.

Leonid Pavlovich Skoptsov, Non-Executive Director

Mr. Skoptsov joined the board of Ovoca in June 2006 and was the Company's CEO from 2006 to 2009. Mr. Skoptsov was part of the Bioprocess Group team that owned and ran OAO "United Machinery Plants" (OMZ). He also played an active part in natural resource development prior to Ovoca. He was the Chairman of OAO Pervaya Gornorudnaya Companiya from 2001 - 2005, a zinc-lead asset developer. He was also the Chairman of OAO Volganeft from 2000 to 2004, a mid-tier oil producer in Russia which was successfully sold to Russneft. He was part of the Group that vended into Ovoca Bio plc (formerly Ovoca Gold plc) 100% of OAO Ajax – Goltsovoye.

BA, cum laude, Moscow State University, Moscow, Russia. Fluent in Russian and English.

Tim McCutcheon, Non-Executive Director

Mr. McCutcheon joined the Board of Ovoca as a Non-Executive Director in January 2009 and moved into the CEO position in December 2009. Prior to Ovoca, Mr. McCutcheon was a partner at DBM Capital Partners, an investment manager and corporate finance boutique specializing in the mining sector of Russia and the former Soviet Union. He also worked at several investment banks such as Bear Stearns, Aton Capital and Pioneer Investments as an award-winning metals and mining sector analyst and as an investment banker. He was one of the first analysts in Russia to write about its gold mining sector and he has advised numerous international gold mining companies on M&A, business development, and Russian business practices.

BA, cum laude, Columbia College, New York, NY. MBA, Finance, Columbia Business School. Fluent in English and Russian.

Nikolay Myasoyedov, Non-Executive Director

Mr. Myasoyedov is an expert in the field of bioorganic chemistry and biotechnology. He is a full member of the Russian Academy of Sciences since 2003, serving on the Department of Physical and Chemical Biology. Mr. Myasoyedov serves as Deputy Director for Research and the head of the Department of Chemistry of Physiologically Active Substances at the Institute of Molecular Genetics. He has more than 1,000 citations on work published after 1975. He is a co-author over 360 scientific papers, including 2 monographs, more than 150 copyright certificates and patents, as well as 4 foreign patents (USA, England, France, Sweden).

Christopher Wiltshire, Non-Executive Director

Mr. Wiltshire is an experienced senior pharmaceutical and biotechnology executive with over 20 years of international experience. He currently serves as the CEO of Hematherix LLC, a company he founded in 2015 to develop a first-in-class, early stage recombinant blood protein. Between 2008 and 2015, he was the founder/owner of IPT Bioconsulting, which provided strategic advice to early and mid-stage biotechnology and pharmaceutical companies. Mr. Wiltshire previously served in number of senior positions with Pfizer between 1998 and 2008, including as head of business transactions and investments within The Pfizer Incubator LLC. Prior to joining Pfizer, Mr. Wiltshire worked with Eli Lilly and Company between 1993 and 1998. Mr. Wiltshire holds an MA in Engineering from the University of Cambridge in the UK and an MBA from the Darden Graduate School, University of Virginia, US.

Romuolo Colindres, Non-Executive Director

Mr. Colindres is an experienced medical practitioner and pharmaceutical executive, having worked with GlaxoSmithKline plc ("GSK") in a number of senior roles since 2007. Mr. Colindres is currently Vice President, Global Medical Affairs Lead for Zoster with GSK and has previously held roles with GSK in Panama, Brazil and Belgium during his career with the Company. Prior to joining GSK, Mr. Colindres was a physician in the United States and Brazil and previously held roles in public health in the United States and El Salvador. Mr. Colindres holds an MBA from Duke University's Fuqua School of Business, NC, USA, an MD from University of North Carolina School of Medicine, Chapel Hill, NC, USA and a Masters of Public Health from University of North Carolina School of Public Health, Chapel Hill, NC, USA. Mr. Colindres is fluent in Spanish and English.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") are committed to maintaining the highest standards of corporate governance commensurate with the size, stage of development and financial status of the Group.

BOARD

The Board currently has eight directors, comprising two Executive Directors and six Non-Executive Directors. The Board met formally on 7 occasions during 2018. An agenda and supporting documentation was circulated in advance of each meeting. All the Directors bring independent judgment to bear on issues affecting the Group and all have full and timely access to information necessary to enable them to discharge their duties. The Directors have a wide and varying array of experiences in the industry, Non-Executive Directors are not appointed for specific terms. Each Non-Executive Director comes up for re-election every three years and each new Director is subject to election at the next Annual General Meeting following the date of appointment.

The following committees deal with the specific aspects of the Group affairs:

Audit Committee: This Committee comprises two Non-Executive Directors. The external auditors have the opportunity to meet with members of the Audit Committee without executive management present at least once a year. The duties of the Committee include the review of the accounting principles, policies and practices adopted in preparing the financial statements, external compliance matters and the review of the Group's financial results.

Nominations Committee: Given the current size of the Group, a Nominations Committee is not considered necessary. The Board reserves to itself the process by which a new Director is appointed.

Remuneration Committee: This Committee comprises one Non-Executive Director and one Executive Director. This Committee determines the contract terms, remuneration and other benefits of the Executive Directors, Chairman and Non-Executive Directors. Further details of the Group's policies on remuneration, service contracts and compensation payments are given in the Remuneration Committee Report below.

Communications: The Group maintains regular contact with shareholders through publications such as the annual and half-year report and via press releases on the Group's website, www.ovocabio.com. The Directors are responsive to shareholder enquiries throughout the year. The Board regards the Annual General Meeting as a particularly important opportunity for shareholders, Directors and management to meet and exchange views.

The QCA Corporate Governance Code 2018

The QCA Code sets out 10 broad principles and requires the Company to consider how each should be applied. This Report is a summary of the position with the Company's Corporate Governance processes and practices or otherwise "signposts" where other disclosures are made in this document or on the Company's website www.ovocabio.com, particularly the Company's Corporate Governance Statement: https://ovocabio.com/investors/corporate-governance/.

The Broad address the ten principles underpinning the QCA case as follow:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organization;

5. Maintain the board as a well- functioning, balanced team led by the chair;
6. Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviors;
9. Maintain governance structures and processes that are fit for purpose and support good decision- making by the board;
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

INTERNAL CONTROL

The Directors have overall responsibility for the Group's system of internal control and have delegated responsibility for the implementation of this system to executive management. This system includes financial controls that enable the Board to meet its responsibilities for the integrity and accuracy of the Group's accounting records. The Group's system of internal financial control provides reasonable, though not absolute assurance that assets are safeguarded, transactions authorised and recorded properly and that material errors or irregularities are either prevented or detected within a timely period. Having made appropriate enquiries, the Directors consider that the system of internal financial, operational and compliance controls and risk management operated effectively during the period covered by the financial statements and up to the date on which the financial statements were signed. The internal control system includes the following key features, which have been designed to provide internal financial control appropriate to the Group's businesses:

- budgets are prepared for approval by the Board;
- expenditure and income are compared to previously approved budgets;
- a detailed investment approval process which requires the Board's approval of all major capital projects and regular review of the physical performance and expenditure on these projects.

REMUNERATION COMMITTEE REPORT

The Group's policy on senior executive remuneration is designed to attract and retain people of the highest calibre who can bring their experienced and independent views to the policy, strategic decisions and governance of the Group.

In setting remuneration levels, the Remuneration Committee takes into consideration the remuneration practices of other companies of similar size and scope. A key philosophy is that staff must be properly rewarded and motivated to perform in the best interests of the shareholders.

ACCOUNTING RECORDS

The Directors believe that they have complied with the requirement of section 281 to 285 of the Companies Act, 2014, with regard to the keeping of accounting records by employing persons with appropriate expertise and by providing adequate resources to the financial function. The accounting records are held at the Company's business address at 17 Pembroke Street Upper, Dublin 2, Ireland

COMPLIANCE STATEMENT

The directors of the Company acknowledge that they are responsible for securing the Company compliance with its relevant obligations, as defined by Section 225 of the Companies Act 2014.

The directors are satisfied that they have the necessary arrangements and structures in place as required by Section 225(b) and that these are regularly reviewed in accordance with Section 225(c) but they have not formally put in place the policy required by Section 225(a).

The reasons for this are:

- the ongoing commitments of the Board who have been involved in the legal proceedings during the year;
- the continued commitment of the Board in making a significant acquisition during the year;
- the relevant arrangements and structures which were in place needed to be constantly reviewed and re-evaluated;
- this did not facilitate the putting in place a formal compliance policy statement as matters were in flux;
- the Board are actively rectifying this at present with the Group's advisors and the policy will be formally in place shortly.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

EVENTS AFTER REPORTING PERIOD

Events subsequent to the period end are dealt with in Note 37 to the financial statements.

AUDITORS

The auditors, Grant Thornton, continue in office in accordance with section 383(2) of the Companies Act 2014.

This report was approved by the board on 20 June 2019 and signed on its behalf.

Timothy McCutcheon
Director

Kirill Golovanov
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year giving a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU IFRS) and have elected to prepare the Company financial statements in accordance with EU IFRS, as applied in accordance with Irish law and regulations.

The Group and Company financial statements are required by law to present fairly their financial position and performance for each financial year.

In preparing each of the Group and Company 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;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the Group and Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Group and Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group and Company's website. Legislation in Ireland governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Approved on behalf of the Board on 20 June 1019

Timothy McCutcheon	**Kirill Golovanov**
Director	Director

6.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OVOCA BIO PLC (FORMERLY OVOCA GOLD PLC)
ANNUAL REPORT
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OVOCA BIO PLC (FORMERLY OVOCA GOLD PLC)

Opinion

We have audited the financial statements of Ovoca Bio plc (formerly Ovoca Gold plc) for the financial year ended 31 December 2018, which comprise Consolidated income statement, Consolidated statement of other comprehensive (loss)/income, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of cash flows, Company statement of cash flows and the related notes, including the summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the consolidated financial statements give a true and fair view in accordance with IFRSs as adopted by European Union, of the state of the assets, liabilities and financial position of the Group at 31 December 2018 and of its profit and cash flows for the financial year then ended;
- the parent Company statement of financial position gives a true and fair view, in accordance with IFRSs as adopted by European Union, of the state of the parent Company's assets, liabilities and financial position of the Company as at 31 December 2018 and of its cash flows for the financial year then ended; and
- the financial statements have been properly prepared and in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Under the Listing Rules we are required to review the directors' statement, set out on page 17, in relation to going concern.

We have nothing to report having performed our review.

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 and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and the directing of efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and therefore we do not provide a separate opinion on these matters.

Overall audit strategy

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements for example the valuation of goodwill and equity securities. We also addressed the risk of management override of internal controls, including evaluating whether there was any evidence of potential bias that could result in a risk of material misstatement due to fraud.

How we tailored the audit scope

The Group has three business segments, exploration and pharmaceutical, which are operated principally in Russian Federation and investment activities operated from Bermuda, and with administrative activities in the Republic of Ireland.

We tailored the scope of our audit taking into account the areas where the risk of misstatement was considered material to the Group.

In establishing the overall approach to our audit, we assessed the risk of material misstatement at a Group level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the control environment in place at Ovoca Bio plc.

Materiality and audit approach

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the Group as follows: 0.5% of total assets for the financial year ended 31 December 2018. We have applied this benchmark as the Group primarily held assets for the purposes of acquisition during the financial year.

We agreed with the board of directors that we would report to them misstatements identified during our audit above 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Significant matters identified

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.

Calculation and impairment review of goodwill – Note 15

During the year, the Company, through its subsidiary Silver Star Limited, obtained control of IVIX LLC. The resulting transaction resulted in goodwill of €4.0 million (US$4.6 million) being recognised on consolidation. An impairment review was carried out in accordance with IAS 38.

Our response

- We reviewed the underlying purchase agreements associated with the transaction;
- We evaluated and challenged management's assumptions and judgements in assessing the fair value of identified assets and liabilities acquired in the transaction;
- Obtained and analysed the business plans provided by management for each subject asset to determine whether the forecast cash flows are reasonable and supportable;
- We performed sensitivity analysis to determine reasonableness of the input variables used in the model;
- Assessed long term growth rates for reasonableness by reference to growth in GDP and projected inflation rates; and
- We assessed the completeness and accuracy of the disclosures relating to goodwill and the annual impairment review with the disclosure requirements included in the consolidated financial statements in accordance with IFRSs as adopted by European Union.

Valuation of Equity securities at FVOCI (formerly known as available for sale financial assets) – Note 19

The Group has significant Equity securities at FVOCI, comprised of a portfolio of equity investments amounting to €14.1 million (US$16.2 million). These instruments are measured at fair value with the corresponding fair value change recognised in other comprehensive income. The valuation is performed by the Company using a Level 1 fair value hierarchy which are valuations based on quoted prices (unadjusted) in active markets. This is one of the key judgmental area that our audit has concentrated on and the biggest asset of the Group.

Our response

For this risk, our audit procedures included testing of the following:

- We evaluated whether the management expert has the necessary competence, capabilities and objectivity for the auditor's purposes;
- We obtained an understanding of the work of the management expert and evaluate the adequacy of the management expert's work including the relevance and reasonableness of the management expert's conclusions, the assumptions and methods adopted and the relevance, completeness and accuracy of any source data used;
- We obtained market prices from published quotations at year end and recalculated the market value by multiplying the market price by the number of shares held; and
- We assessed the completeness and accuracy of the disclosures relating to the Valuation of Equity securities at FVOCI assets to assess compliance with disclosure requirements included in the consolidated financial statements in accordance with IFRSs as adopted by European Union.

Other information

Other information comprises information included in the Annual Report, other than the financial statements and our auditor's report thereon, including the Chairman's Report, Chief Executive's Report and Directors' Report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations, which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion, the information given in the Directors' Report is consistent with the financial statements.
- Based solely on the work undertaken in the course of our audit, in our opinion, the Directors' report has been prepared in accordance with the requirements of the Companies Act 2014.

Matters on which we are required to report by exception

Based on our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors Report.

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by section 305 to 312 of the Acts have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities of the management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the European Union, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group and Company's financial reporting process.

Responsibilities of the auditor for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their 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 and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a matter that achieves a true and fair view.

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 may be identified during the audit.

We report on the audit of a group, and we obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance of the audit, and we remain solely responsible for the auditor's opinion.

We also provide those charged with governance with a statement that they 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 their 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 financial statements of the current period and are therefore the key audit matters. These matters are described in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determines that a matter should not be communicated in the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Cathal Kelly

For and on behalf of
Grant Thornton
Chartered Accountants
& Statutory Audit Firm
13 – 18 City Quay
Dublin 2
Date: 20 June 2019

CONSOLIDATED INCOME STATEMENT

	Note	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Administration expenses	5	(2,306)	(1,298)	(2,723)	(1,463)
Other (losses) / gains	7	(128)	611	(166)	690
Operating loss		(2,434)	(687)	(2,889)	(773)
Finance income	8	448	463	529	522
Finance costs	8	(10)	(9)	(12)	(11)
Loss for the financial year before tax		(1,996)	(233)	(2,372)	(262)
Income tax	13	-	-	-	-
Loss for the financial year from continuing operations		(1,996)	(233)	(2,372)	(262)
Loss for the financial year from discontinued operations	36	(676)	(148)	(783)	(168)
Loss for the financial year		(2,672)	(381)	(3,155)	(430)
Loss for the financial year attributable to:					
Owners of the parent		(2,356)	(381)	(2,783)	(430)
Non-controlling interest	26	(316)	-	(372)	-
		(2,672)	(381)	(3,155)	(430)
Basic loss per share:					
From continuing operations (cents)	14	(€2.45)	(€0.29)	(US$2.91)	(US$0.32)
From continuing and discontinued operations (cents)	14	(€3.28)	(€0.47)	(US$3.87)	(US$0.53)
Fully diluted loss per share:					
From continuing operations (cents)	14	(€2.45)	(€0.29)	(US$2.91)	(US$0.32)
From continuing and discontinued operations (cents)	14	(€3.28)	(€0.47)	(US$3.87)	(US$0.53)

The accompanying notes on pages 40 to 76 form an integral part of these consolidated financial statements.

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition provisions, comparative information is not restated. Also refer to Note 35.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE (LOSS)/INCOME

	Note	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Loss for the financial year		(2,672)	(381)	(3,155)	(430)
Other comprehensive (loss)/income:					
Items that will not be reclassified to profit or loss					
Fair value movement on equity securities at fair value through other comprehensive income (FVOCI)	19	(1,911)	-	(2,256)	-
Exchange movement on equity securities designated as at FVOCI	19	(437)	-	(516)	-
Net other comprehensive loss that will not be reclassified to profit or loss		(2,348)	-	(2,772)	-
Items that will be reclassified subsequently to profit or loss					
Foreign exchange gain/(loss) arising from translating foreign operations		738	(3,202)	(425)	(459)
Fair value movement on availableforsale financial assets previously classified under IAS 39	19	-	1,447	-	1,634
Exchange movement on availableforsale financial assets on previously classified under IAS 39	19	-	1,068	-	1,212
Net other comprehensive (loss)/income that will be reclassified to profit or loss		738	(687)	(425)	2,387
Other comprehensive (loss)/income for the financial year		(1,610)	(687)	(3,197)	2,387
Total comprehensive (loss)/income for the financial year		(4,282)	(1,068)	(6,352)	1,957
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(3,937)	(1,068)	(5,979)	1,957
Non-controlling interest	26	(345)	-	(373)	-
		(4,282)	(381)	(6,352)	(430)

The accompanying notes on pages 40 to 76 form an integral part of these consolidated financial statements.

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition provisions, comparative information is not restated. Also refer to Note 35.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital €'000	Treasury share reserve €'000	Foreign currency translation reserve €'000	Share based payment reserve €'000	Other reserves €'000	Retained earnings €'000	Total attributable to owners of parent €'000	Non-controlling interest €'000
At 1 January 2018		11,057	(547)	3,745	438	5,878	1,832	22,403	-
Comprehensive loss:									
Loss for the year		-	-	-	-	--	(2,356)	(2,356)	(316)
Other comprehensive (loss)/income:									
Fair value movement on equity securities designated as at FVOCI	25	-	-	-	-	(1,911)	-	(1,911)	-
Exchange movement on equity securities designated as at FVOCI	25	-	-	-	-	(437)	-	(437)	-
Foreign exchange (loss)/gain arising from translation of financial statements of a foreign operations	25	-	-	767	-	-	-	767	(29)
Total comprehensive (loss)/income		-	-	767	-	(2,348)	(2,356)	(3,937)	(345)
Transactions with owners of the Company		-	-	-		-	-	-	-
Share based payments expired during the financial year	25	-	-	-	(438)	438	-	-	-
Total transactions with owners of the Company		-	-	-	(438)	438	-	-	-
Changes in ownership interest									
Acquisition of subsidiary with NCI	26 & 33	-	-	-	-	-	-	-	2,505
Total changes in ownership interests		-	-	-	-	-	-	-	2,505
Balance at 31 December 2018		11,057	(547)	4,512	-	3,968	(524)	18,466	2,160
At 1 January 2017		11,057	(547)	6,947	1,294	2,507	2,213	23,471	-
Comprehensive loss:									
Loss for the year		-	-	-	-	-	(381)	(381)	-
Other comprehensive (loss)/income:									
Fair value movement on availableforsale financial assets previously classified under IAS 39	25	-	-	-	-	1,447	-	1,447	-
Exchange movement on availableforsale financial assets previously classified under IAS 39	25	-	-	-	-	1,068	-	1,068	-
Foreign operations – foreign currency translation differences	25	-	-	(3,202)	-	-	-	(3,302)	-
Total comprehensive loss		-	-	(3,202)	-	2,515	(381)	(1,068)	-
Transactions with owners of the Company									
Share based payments expired during the year	25	-	-	-	(856)	856	-	-	-
Total transactions with owners of the Company		-	-	-	(856)	856	-	-	-
Balance at 31 December 2017		11,057	(547)	3,745	438	5,878	1,832	22,403	-

The accompanying notes on pages 40 to 76 form an integral part of these consolidated financial statements.

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition provisions, comparative information is not restated. Also refer to Note 35.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Ordinary Share capital €'000	Other reserves €'000	Share based payments reserve €'000	Retained earnings €'000	Total (attributable to owners of the parent) €'000
At 1 January 2018	11,057	867	438	11,786	24,148
Comprehensive loss					
Loss for the financial year	-	-	-	(4,696)	(4,696)
Total comprehensive loss	-	-	-	(4,696)	(4,696)
Transactions with owners of the Company					
Share based payments expired during the financial year (refer Note 31)	-	438	(438)	-	-
Total transactions with owners of the Company	-	438	(438)	-	-
At 31 December 2018	11,057	1,305	-	7,090	19,452
At 1 January 2017	11,057	11	1,294	11,553	23,915
Comprehensive income					
Profit for the financial year	-	-	-	233	233
Total comprehensive income	-	-	-	233	233
Transactions with owners of the Company					
Share based payments expired during the financial year (refer Note 31)	-	856	(856)	-	-
Total transactions with owners of the Company	-	856	(856)	-	-
At 31 December 2017	11,057	867	438	11,786	24,148

The accompanying notes on pages 40 to 76 form an integral part of these consolidated financial statements.

The Company has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition provisions, comparative information is not restated. Also refer to Note 35

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Assets					
Non-current assets					
Goodwill	15	3,994	-	4,575	-
Other intangible assets	16	958	-	1,097	-
Property, plant and equipment	17	3	3	4	4
Equity securities at FVOCI	19	14,172	15,868	16,233	19,008
Total non-current assets		19,127	15,871	21,909	19,012
Current assets					
Inventories	20	179	-	205	-
Trade and other receivables	21	191	35	219	42
Cash and cash equivalents	22	1,823	5,546	2,088	6,643
Total current assets		2,193	5,581	2,512	6,685
Assets included in the disposal group classified as held for sale	36	481	997	551	1,465
Total assets		21,801	22,449	24,972	27,162
Equity and liabilities					
Equity attributable to owners of the parent					
Ordinary shares	23	11,057	11,057	15,586	15,586
Treasury share reserve	23	(547)	(547)	(607)	(607)
Other reserves	25	3,968	5,878	4,605	6,585
Foreign currency translation reserve	25	4,512	3,745	1,082	1,494
Share based payment reserve	25	-	438	-	792
(Deficit)/retained earnings	24	(524)	1,832	474	3,257
Equity attributable to owners of the parent		18,466	22,403	21,140	27,107
Non-controlling interest	26	2,160	-	2,488	-
		20,626	22,403	23,628	27,107
Current liabilities					
Trade and other payables	27	178	41	202	49
Borrowings	28	989	-	1,133	-
Total current liabilities		1,167	41	1,335	49
Liabilities included in the disposal group classified as held for sale	36	8	5	9	6
Total equity and liabilities		21,801	22,449	24,972	27,162

The accompanying notes on pages 40 to 76 form an integral part of these consolidated financial statements.

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition provisions, comparative information is not restated. Also refer to Note 35.

Approved on behalf of the Board of Directors on 20 June 2019

Timothy McCutcheon
Director

Kirill Golovanov
Director

COMPANY STATEMENT OF FINANCIAL POSITION

	Note	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Assets					
Non-current assets					
Property, plant and equipment	17	1	2	1	3
Financial assets	18	24,116	27,145	27,625	28,599
Total non-current assets		24,117	27,147	27,626	28,602
Current assets					
Trade and other receivables	21	580	699	665	837
Cash and cash equivalents	22	929	2,837	1,064	3,398
Total current assets		1,509	3,536	1,729	4,235
Total assets		25,626	30,683	29,355	32,837
Equity and Liabilities					
Equity					
Ordinary shares	23	11,057	11,057	15,586	15,586
Retained earnings	24	7,090	11,786	12,583	18,129
Other reserves	25	1,305	867	1,780	1,041
Share based payment reserve	25	-	438	-	739
Foreign currency translation reserve	25	-	-	(7,666)	(10,486)
		19,452	24,148	22,283	25,009
Current liabilities					
Trade and other payables	27	6,174	6,535	7,072	7,828
Total current liabilities		6,174	6,535	7,072	7,828
Total equity and liabilities		25,626	30,683	29,355	32,837

The accompanying notes on pages 40 to 76 form an integral part of these consolidated financial statements.

The Company has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition provisions, comparative information is not restated. Also refer to Note 35.

Approved on behalf of the Board of Directors on 20 June 2019

Timothy McCutcheon
Director

Kirill Golovanov
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Cash flows from operating activities					
Continuing operations					
Loss for the financial year before tax		(2,672)	(381)	(3,155)	(430)
Adjustments for:					
Impairment of tangible fixed assets	17	444	-	509	-
Depreciation	17	30	37	36	(41)
Net finance income	8	(438)	(452)	(517)	(510)
Changes in:					
(Increase)/decrease in inventories		(147)	52	(168)	54
Increase in trade and other receivables		(120)	(6)	(134)	(12)
Increase/(decrease) in trade and other payables		65	(171)	69	(174)
Net cash used in operating activities		**(2,838)**	**(921)**	**(3,307)**	**(1,113)**
Cash flows from financing activities					
Bank borrowing received	28	989	-	1,130	-
Bank interest paid		(10)	(11)	(12)	(12)
Bank interest received		4	-	5	-
Net cash generated from/(used in) financing activities		**983**	**(11)**	**1,123**	**(12)**
Cash flows from investing activities					
Dividends received from equity accounted investees		444	463	524	522
Acquisition of subsidiary, net of cash acquired	33	(2,475)	-	(2,808)	-
Net cash (used in)/generated from investing activities		**(2,031)**	**463**	**(2,284)**	**522**
Effects of foreign exchange		**184**	**(723)**	**(64)**	**148**
Net decrease in cash and cash equivalents		(3,702)	(1,192)	(4,532)	(455)
Cash and cash equivalents at the beginning of financial year	22	5,549	6,741	6,647	7,102
Cash and cash equivalents at the end of financial year	22	**1,847**	**5,549**	**2,115**	**6,647**
Cash and cash equivalents included in the disposal group	36	24	3	27	4
Cash and cash equivalents for continuing operation	22	**1,823**	**5,546**	**2,088**	**6,685**

The accompanying notes on pages 40 to 76 form an integral part of these consolidated financial statements.

The Group has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition provisions, comparative information is not restated. Also refer to Note 35.

COMPANY STATEMENT OF CASH FLOWS

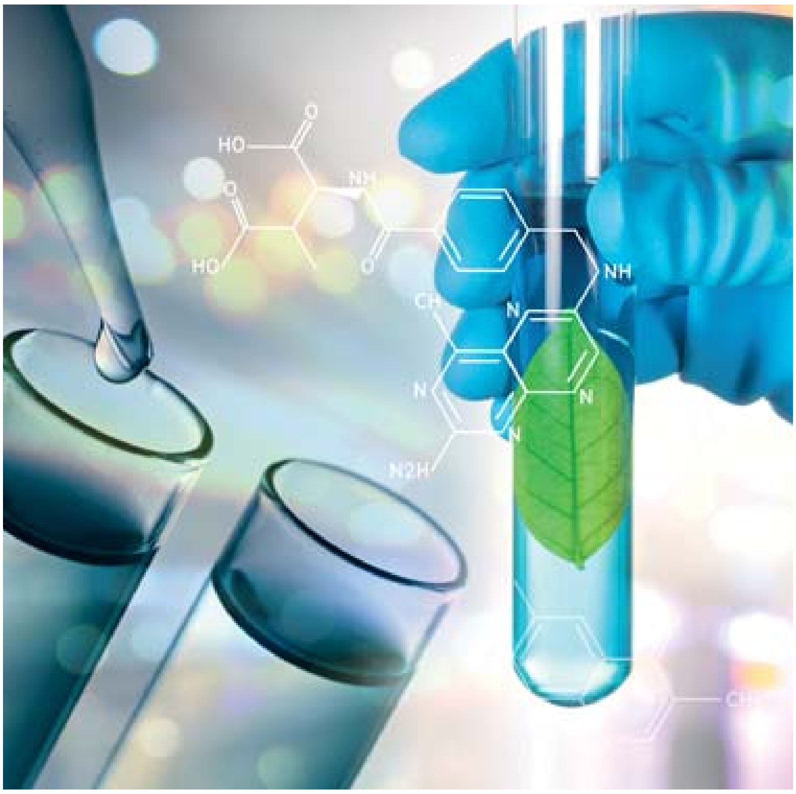
	Note	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Cash flows from operating activities					
(Loss)/profit for the financial year before tax	24	(4,696)	233	(5,546)	262
Adjustments for					
Impairment of investments in subsidiaries	18	3,029	-	974	-
Depreciation	17	1	1	2	1
Net finance expense		3	4	3	5
Changes in					
Decrease/(increase) in trade and other receivables		119	93	172	(3)
(Decrease)/increase in trade and other payables		(361)	2,352	(756)	3,421
Net cash (used in)/generated from operating activities		(1,905)	2,683	(2,548)	3,686
Cash flows from financing activities					
Net finance expense		(3)	(4)	(3)	(5)
Net cash used in financing activities		(3)	(4)	(3)	(5)
Effects of foreign exchange		-	-	2,820	(449)
Net (decrease)/increase in cash and cash equivalents		(1,908)	2,679	(2,334)	3,232
Cash and cash equivalents at the beginning of year		2,837	158	3,398	166
Cash and cash equivalents at the end of year	22	929	2,837	1,064	3,398

The accompanying notes on pages 40 to 76 form an integral part of these consolidated financial statements.

The Company has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition provisions, comparative information is not restated. Also refer to Note 35.

7.

NOTES TO THE FINANCIAL STATEMENTS



OVOCA BIO PLC (FORMERLY OVOCA GOLD PLC)
ANNUAL REPORT
FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2018

1 General Information

Ovoca Bio plc (formerly Ovoca Gold plc) ("the Company") is a public limited company incorporated in Ireland on 15 January 1985. The address of its registered office and principal place of business is 17 Pembroke Street Upper Dublin 2, Ireland.

These consolidated financial statements for the financial year ended 31 December 2018 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as 'the Group').

The Group's activity is that of a bio-technology company and the exploration for precious metals and other minerals in Russia. The Directors have reviewed the financial position of the Group and are satisfied that the Group will continue to operate for the foreseeable future.

On 21 April 1987, the Company's shares were admitted to trading on the Irish Stock Exchange Enterprise Securities Market (ESM) (subsequently renamed the Euronext Growth Market) and on 30 June 2005 to the London Stock Exchange's Alternative Investment Market (AIM).

On 25 September 2018, the Group obtained control of IVIX LLC by acquiring 50.02% of their ordinary share capital and therefore has been consolidated into these financial statements in accordance with IFRS 3 Business Combinations, further information relating to the acquisition is found in Note 33 of these consolidated financial statements.

2 Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to the Group's financial statements.

Statement of compliance

The consolidated and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations approved by the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and Irish Statute comprising the Companies Act, 2014.

The Company has availed of the exemption in Section 304(2) of the Companies Act, 2014 not to present its individual Income Statement and related notes that form part of the approved Company financial statements.

The Company has also availed of the exemption from filing its individual Income statement with the Registrar of Companies as permitted by Section 304(2)(c) of the Companies Act, 2014.

The IFRSs adopted by the EU as applied by the Company and the Group in the preparation of these financial statements are those that were effective at 31 December 2018.

Basis of preparation

The Group and Company financial statements are prepared on the historical cost basis as modified by the measurement at fair value of certain financial assets and liabilities at fair value through profit and loss and fair value through other comprehensive income. The accounting policies have been applied consistently by Group entities.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Ovoca Bio plc (formerly Ovoca Gold plc) ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 December 2018.

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Intra-group balances and any unrealised gains or losses or income or expenses arising from intra-group transactions are eliminated in preparing the Group financial statements.

Business combinations and goodwill

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the fair value, at the date of exchange, of the assets given, equity instruments issued and liabilities incurred or assumed. The acquiree's identifiable assets and liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognised at their fair values at the acquisition date. Acquisition-related costs are recognised in the consolidated statement of profit or loss as incurred.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the acquisition-date net fair value of the acquiree's identifiable assets and liabilities exceeds the cost of the business combination, the excess is recognised immediately in the consolidated statement of 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.

The non-controlling interest in the acquiree is initially measured at the Non-Controlling Interests (NCIs) fair value as determined by an independent valuation.

Functional and presentation currency

These consolidated financial statements are presented in Euro Thousand (€'000), which is also the Company's functional currency. The US$ Thousand ($'000) equivalent is shown for information purposes. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

Foreign currencies

Monetary assets and liabilities denominated in a foreign currency are translated into Euro at the exchange rate ruling at the statement of financial position date. Revenues, costs and non-monetary assets are translated at the exchange rates ruling at the dates of the transactions. Exchange differences are dealt with through the income statement.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

On consolidation, the assets and liabilities of overseas subsidiary companies are translated into Euro at the rates of exchange prevailing at the statement of financial position date. Exchange differences arising from the restatement of the opening statements of financial position of these subsidiary companies are dealt with through reserves. The operating results of overseas subsidiary companies are translated into Euro at the average rates applicable during the year.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity, shall be reclassified from equity to the income statement when the gain or loss on disposal is recognised.

Taxation

Taxation on the profit or loss for the period comprises current and deferred tax. Taxation is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case the related tax is recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates and laws that have been enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on the basis of the liability method on temporary differences at the statement of financial position date. Temporary differences are defined as the difference between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, or where, in respect of taxable temporary differences associated with investments in subsidiaries, joint ventures and associates, the timing and reversal of the temporary differences is subject to control by the Group and it is probable that reversal will not occur in the foreseeable future. Deferred tax assets and liabilities are not subject to discounting and are measured at the tax rates that are anticipated to apply in the period in which 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 statement of financial position date. The carrying amounts of deferred tax assets are subject to review at each year end date and are reduced to the extent that future taxable profits are considered to be inadequate to allow all or part of any deferred tax asset to be utilised.

Operating leases

Operating lease rentals are charged to the income statement on a straight line basis over the lease term.

Inventories

Inventories are carried at the lower of cost or net realisable value.

Financial instruments

Recognition and derecognition

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI) with recycling of cumulative gains (debt instruments) and losses or with no recycling of cumulative gains and losses upon derecognition (equity instruments).

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Company's cash and cash equivalents, other debtors and amounts owed by group undertakings under trade and other receivables fall into this category of financial instruments.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI.

Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its equity investments under this category.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaces IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Previous financial asset impairment under IAS 39

In the prior year, the impairment of trade receivables was based on the incurred loss model. Individually significant receivables were considered for impairment when they were past due or when other objective evidence was received that a specific counterparty will default. Receivables that were not considered to be individually impaired were reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate was then based on recent historical counterparty default rates for each identified group.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Parent applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables with the exception amounts due from subsidiary undertakings which are measured using the general approach.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to Note 17 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely the same under IFRS 9 compared to IAS 39, the Company's financial liabilities were not impacted by the adoption of IFRS 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The Company's financial liabilities include trade and other payables and borrowings.

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2: valuation techniques for which the lowest level of inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: valuation techniques for which the lowest level of inputs that have a significant effect on the recorded fair value are not based on observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines when transfers are deemed to have occurred between levels in the hierarchy at the end of each reporting date.

Equity securities measured FVOCI are measured at Level 1. There were no transfers between Levels in 2018 and 2017.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits, including bank deposits of less than three months maturity. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Intangibles

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as 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 are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify 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 statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

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

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Research and development costs

Expenditure on the research phase of projects to develop new pharmaceutical products is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Company intends to and has sufficient resources to complete the project
- the Company has the ability to use or sell the software
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Directly attributable costs include employee costs incurred on product development along with an appropriate portion of relevant overheads.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. 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. During the period of development, the asset is tested for impairment annually.

Patents and licences

The Group have patents acquired through business combination and have been granted for a period of 10 years by the relevant government agency with the option of renewal at the end of this period. Licences for the use of intellectual property are granted for periods ranging between five and ten years depending on the specific licences. The licences may be renewed at little or no cost to the Group. As a result, those licences are assessed as having an indefinite useful life.

A summary of policies applied to the Group's intangible assets is, as follows:

	Goodwill	Licences	Patents	Development costs
Useful lives	Indefinite	Indefinite	Finite	Finite
Amortisation method used and rates	No amortisation but subject to impairment	No amortisation but subject to impairment	Amortised on a straight-line basis over the period of the patent	Amortised on a straight-line basis over the period of expected future sales from the related project
Internally generated or acquired	Acquired	Acquired	Acquired	Internally generated

Deferred exploration costs

In accordance with International Financial Reporting Standard 6 - Exploration for and Evaluation of Mineral Resources, the Group uses the cost method of recognition. Exploration costs include licence costs, survey, geophysical and geological analysis and evaluation costs, costs of drilling and project-related overheads.

Exploration expenditure in respect of properties and licenses not in production is deferred and is carried forward in the statement of financial position under intangible assets in respect of each area of interest where:

- the operations are ongoing in the area of interest and exploration or evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; or
- such costs are expected to be recouped through successful development and exploration of the area of interest or alternatively by its realisation.

When the Directors decide that no further expenditure on an area of interest is worthwhile, the related expenditure is written off or down to an amount which it considers represents the residual value of the Group's interest therein.

Property, plant and equipment and depreciation

Property, plant & equipment are stated at cost, less accumulated depreciation. No depreciation is provided on land. Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, which are reviewed each financial year, as follows:

Mining equipment	- 20% Straight line
Office furniture and equipment	- 10% Straight line
Fixtures and Fittings	- 20% Straight line
Buildings	- 2% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date,

Gains and losses on disposals are determined by comparing the carrying amount and are recognised in the Consolidated Statement of comprehensive income.

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that is expected to generate cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. 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 risk specific to the asset. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

Equity and reserves

Ordinary shares represents the nominal (par) value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Treasury shares are recognised at cost and deducted from equity.

Other reserves comprise of the gains and losses including its foreign exchange movement relating to available for sale financial assets equity instruments and transfers of expired share based payment reserve to other reserve.

Foreign currency translation reserve comprises translation differences arising from the translation of the financial statements of the Group's foreign entities into euro.

Retained earnings include all current and prior period retained profits. All transactions with owners of the parent are recorded separately within equity.

Share based payments

Employees (including Directors) of the Group may be entitled to remuneration in the form of share- based payment transactions, whereby employees render service in exchange for shares or rights over shares. Details of the Group's share option scheme are set out in Note 28 of the consolidated financial statements.

For any share options granted, the fair value of the option is recognised as an expense in the income statement with a corresponding increase in equity. The fair value is measured at grant date excluding the impact of non-market conditions and spread over the period during which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest where vesting conditions are non-market conditions. When the options are exercised, the proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the income or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the income or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Provisions, contingent liabilities and contingent assets

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of legal or constructive commitment that has resulted from past events. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

Assets Held for Sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 36. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Significant management judgment in applying accounting policies and estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates, and the effect of any change in estimates will be adjusted in the financial statements when they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under these circumstances.

Judgments

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

Control assessment in a business combination

As disclosed in Note 33, the Group owned 50.02% of IVIX LLC at 31 December 2018 (and subsequently exercised its option in March 2019 to acquire a further participation interest in IVIX, bringing its interest to 59.84% - see Note 37). Management has assessed its involvement in the newly acquired company in accordance with IFRS 10's revised control definition and guidance and has concluded that it has control over that newly acquired company.

Assets held for sale

On 4 July 2018, the Board of Directors announced its decision to dispose the exploration segment of the Group located in Russia consisting of CJSC Bulun, Magsel, LLC and Comtrans, LLC, all are wholly-owned subsidiary of the Company, are classified as assets held for disposal during the financial year. The Board considered the subsidiaries to meet the criteria to be classified as held for sale at that date for the following reasons:

- CJSC Bulun, Magsel, LLC and Comtrans, LLC are available for immediate sale and can be sold to the buyer in its current condition.
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification.
- The shareholders approved the plan to sell on 7 February 2019.

For more details on the discontinued operation, refer to Note 36.

Determining the Group's functional currency

The determination of a company's functional currency often requires significant judgement where the primary economic environment on which it operates may not be clear. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the Euro. The Euro is the currency of the primary economic environment in which the Company operates.

Determining classification of financial instruments

The Group classifies a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual agreement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the financial statements.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Estimating allowance for impairment on inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Estimating measurement of Expected Credit Losses (ECL) allowance for trade receivables

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

Useful lives of depreciable assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors annually review these asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have significant impact on depreciation charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as asset lives are individually determined, and there are a significant number of asset lives in use. The impact of any change would vary significantly depending on the individual changes in assets and the classes of assets impacted.

Impairment of non-financial assets

Determining whether non-financial assets are impaired requires an estimation of the value in use of the cash generating units to which the assets have been allocated. The value in use calculation requires the directors to estimate the future cash flows to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual cash flows are less than expected, a material impairment may arise.

Measurement of the recoverable amounts of deferred exploration costs

In accordance with International Financial Reporting Standard 6 - Exploration for and Evaluation of Mineral Resources, the Group uses the cost method of recognition. Exploration costs include licence costs, survey, geophysical and geological analysis and evaluation costs, costs of drilling and project-related overheads. The Directors base the recoverability of the carrying value of these intangible assets on industry specific data in addition to using their judgment to assess the assets recoverability.

Utilisation of tax losses

The Directors have not deemed it appropriate to recognise deferred tax assets resulting from significant losses being carried forward from previous years on the basis that it is not certain these losses will be utilized in future periods.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

New Standards adopted as at 1 January 2018

In 2018 the Group has adopted new guidance for the recognition of revenue (IFRS 15) from contracts with customers. The Company have assessed that the change in the amount of revenue recognized under IFRS 15, is not materially different to that recognised under IAS 18 and therefore, there is no impact to either retained earnings or, the profit or loss.

Further, the Group has adopted new guidance for accounting for financial instruments (see Note 35). The Group have assessed that the change in the recognition and measurement of financial instruments under IFRS 9, is not materially different to that recognised under IAS 9 and therefore, there is no impact to either retained earnings or, the profit or loss

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted by the Group

At the date of authorisation of these financial statements, certain new standards, and amendments to existing standards have been published by IASB that are not yet effective. The Company has not early adopted any of these pronouncements. Information on those expected to be relevant to the Company's financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Company's financial statements.

IFRS 16 'Leases'

IFRS 16 will replace IAS 17 'Leases' and three related Interpretations. It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded in the statement of financial position in the form of a right-of-use asset and a lease liability. There are two important reliefs provided by IFRS 16 for assets of low value and short-term leases of less than 12 months.

IFRS 16 is effective from periods beginning on or after 1 January 2019. Early adoption is permitted; however, the Company have decided not to early adopt. The effect of this standard is not expected to materially impact the Company on the grounds that the Company has no material leases.

3 Going concern

The Directors have reviewed the current state of the Group's finances, taking into account resources currently available. The Directors are satisfied that sufficient funding will be available to the Group to enable it to trade for the foreseeable future. On this basis the directors consider that it is appropriate to prepare the financial statements on the going concern basis. The Directors consider that in preparing the financial statements they have taken into account all information that could reasonably be expected to be available. The financial statements do not include any adjustments that would result if the Director's plans were not successful.

4 Segmental reporting

Information regarding the Group's operating segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker and used to allocate resources to the segments and to assess their performance

(a) Primary reporting format - business segments

At 31 December 2018, the Group had two business segments, bio-pharmaceutical and investment segments. Bio-pharmaceutical activities are exclusively carried out by IVIX LLC, Investing activities are carried out by the subsidiary, Silver Star Limited, a company located in Bermuda. Administrative activities represent group administration costs, primarily incurred in Ireland and the Russian Federation.

(b) Segment revenues and results

Segment results represent operating profit earned by each segment. This is the measure reported to the Group's Board of Directors ("Board of Directors") for the purposes of resource allocation and assessment of segment performance.

(c) Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments, the Board of Directors monitors the total assets and liabilities attributable to each segment. Goodwill is allocated based on separately identifiable CGUs as further disclosed in Note 15.

Following the acquisition of IVIX LLC (refer Note 33), bio-pharmaceutical ("bio-pharma") has become a new operating segment in 2018. As discussed in Note 36, the exploration segment is presented as being discontinued

CONTINUING OPERATIONS - 31 December 2018

	Bio-pharma	Investment	Admin	Total	Bio-pharma	Investment	Admin	Total
	€'000	€'000	€'000	€'000	US$'000	US$'000	US$'000	US$'000
Administration expenses	(655)	(739)	(912)	(2,306)	(774)	(873)	(1,076)	(2,723)
Other gains/((losses	19	(55)	(92)	(128)	22	(65)	(123)	(166)
Operating loss	(636)	(794)	(1,004)	(2,434)	(752)	(938)	(1,199)	(2,889)
Finance costs	-	(5)	(5)	(10)	-	(6)	(6)	(12)
Finance income	4	444	-	448	5	524	-	529
Loss before tax	(632)	(355)	(1,009)	(1,996)	(747)	(420)	(1,205)	(2,372)
Income tax	-	-	-	-	-	-	-	-
Loss after tax	(632)	(357)	(1,009)	(1,996)	(747)	(420)	(1,205)	(2,372)
Segment assets	5,544	15,606	170	21,320	6,351	17,877	193	24,421
Segment liabilities	(125)	(989)	(53)	(1,167)	(144)	(1,131)	(60)	(1,335)
Net assets	5,419	14,617	117	20,153	6,207	16,746	133	23,086

CONTINUING OPERATIONS - 31 December 2017

	Investment €'000	Admin €'000	Total €'000	Investment US$'000	Admin US$'000	Total US$'000
Administration expenses	(831)	(467)	(1,298)	(631)	(832)	(1,463)
Other gains	555	56	611	320	370	690
Operating loss	(276)	(411)	(687)	(311)	(462)	(773)
Finance income	463	-	463	522	-	522
Finance costs	(5)	(4)	(9)	(6)	(5)	(11)
Gain/(loss) before tax	182	(415)	(233)	205	(467)	(262)
Income tax	-	-	-	-	-	-
Gain/(loss) after tax	182	(415)	(233)	205	(469)	(265)
Segment assets	18,589	2,863	21,452	22,267	3,430	25,697
Segment liabilities	-	(41)	(41)	-	(49)	(49)
Net assets	18,589	2,822	22,411	22,267	3,381	25,648

5 Loss on ordinary activities before taxation

	Continuing		Discontinued	
	31/12/2018	31/12/2018	31/12/2018	31/12/2018
	€'000	US$'000	€'000	US$'000
Administration expenses				
Employee expense	(296)	(349)	(31)	(37)
Directors remuneration (Note 11)	(552)	(654)	-	-
Employment costs (Note 10)	(848)	(1,003)	(31)	(37)
Depreciation (Note 17)	(1)	(2)	(29)	(34)
Services provided by the Group's auditors (Note 6)	(62)	(73)	-	-
Operating lease rentals - property (Note 32)	(27)	(32)	-	-
Research and development (Note 16)	(484)	(572)	-	-
Acquisition related expenses (Note 33)	(357)	(422)	-	-
Other administration expenses	(527)	(619)	(34)	(40)
Total administration expenses	(2,306)	(2,723)	(94)	(111)

Administration expenses	31/12/2017 €'000	Continuing 31/12/2017 US$'000	31/12/2017 €'000	Discontinued 31/12/2017 US$'000
Employee expense	(208)	(236)	(19)	(21)
Directors remuneration (Note 11)	(440)	(497)	-	-
Employment costs (Note 10)	(648)	(733)	(19)	(21)
Depreciation (Note 17)	(2)	(1)	(35)	(40)
Services provided by the Group's auditors (Note 6)	(50)	(55)	-	-
Operating lease rentals - property (Note 37)	(11)	(12)	-	-
Other administration expenses	(587)	(662)	(87)	(98)
Total administration expenses	**(1,298)**	**(1,463)**	**(141)**	**(159)**

6 Services provided by the Group's auditor

	31/12/2018 €'000	31/12/2017 €'000	31/12/2018 US$'000	31/12/2017 US$'000
Audit services – group audit	51	39	61	43
Audit services- statutory entities	3	3	3	3
Tax advisory services	8	8	9	9
Total auditors remuneration	**62**	**50**	**73**	**55**

All services are from continuing operations.

7 Other gains/(losses)

	31/12/2018 €'000	Continuing 31/12/2018 US$'000	31/12/2018 €'000	Discontinued 31/12/2018 US$'000
Impairment of assets held for sale (Note 17 and 36)	-	-	(444)	(509)
Realised foreign exchange losses	(128)	(166)	(136)	(161)
Total other (losses)/gains	**(128)**	**(166)**	**(580)**	**(670)**

	31/12/2017 €'000	Continuing 31/12/2017 US$'000	31/12/2017 €'000	Discontinued 31/12/2017 US$'000
Trade payables written back	149	214	-	-
Realised foreign exchange gains	462	476	35	39
Other expenses	-	-	(40)	(45)
Total other (losses)/gains	**611**	**690**	**(5)**	**(6)**

8 Finance income and finance costs

	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	US$'000	US$'000
Finance income				
Dividends received from equity investments	444	463	524	522
Bank interest received	4	-	5	-
Total finance income	**448**	**463**	**529**	**522**
Finance costs				
Bank interest and charges*	(10)	(9)	(12)	(11)
Total finance costs	**(10)**	**(9)**	**(12)**	**(11)**
Net finance income	**438**	**454**	**517**	**511**

*Finance costs of €'000 2 / US$'000 2 have been excluded from the above as they related to the Group's discontinued operations (2017: €'000 2 / US$'000 3), refer Note 36.

9 Employee numbers

The average monthly number of employees of the Group during the financial year was (excluding directors):

	31/12/2018	31/12/2017
	Number	Number
Administration and operational staff	6	6

10 Employment costs

	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	US$'000	US$'000
Staff costs (inclusive of directors) during the financial year were as follows:				
Wages and salaries	848	641	1,003	724
Social insurance costs	32	26	37	30
Total employment costs	**879**	**667**	**1,040**	**754**

11 Directors' remuneration

	- Share-based benefits -		------------------ Short-term benefits ------------------			
	2018	2017	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	Number of options		€'000	€'000	US$'000	US$'000
Kirill Golovanov	-	-	331	164	391	185
Mikhail Mogutov	-	-	94	106	112	120
Leonid Skoptsov	-	-	58	106	69	120
Yuri Radchenko	-	-	15	16	18	18
Timothy McCutcheon	-	-	15	16	18	18
Nikolay Myasodev	-	-	7	0	8	-
Christopher Wiltshire	-	-	7	0	8	-
Romulo Colindres	-	-	7	0	8	-
Donald Schissel	-	-	9	16	11	18
Kenneth Kuchling	-	200,000	9	16	11	18
Directors remuneration	-	200,000	552	440	654	497

The share based benefits relate to the number of exercisable share options held by directors at the year end.

There were no options exercised during the year, while 200,000 share options expired during the financial year (2017: 3,000,000).

Please refer to Note 31 for further details on share options granted and expired in the year and the expense recognised.

12 Retirement benefit costs

The Group does not operate a pension scheme (2017: €NIL / USD$ Nil)

13 Income tax costs

Analysis of income tax charge for the year	31/12/2018 €'000	31/12/2017 €'000	31/12/2018 US$'000	31/12/2017 US$'000
Income tax	-	-	-	-

Factors affecting tax charge for the financial year

The tax for the financial year is higher than (2017 - higher than) the standard rate of corporation tax in Ireland of 12.5% (2017: 12.5%). The differences are explained below:

	31/12/2018 €'000	31/12/2017 €'000	31/12/2018 US$'000	31/12/2017 US$'000
Loss on ordinary activities before tax	(2,672)	(381)	(3,155)	(430)
Loss on ordinary activities before tax multiplied by standard rate of corporation tax at in Ireland of 12.5% (2017: 12.5%)	(334)	(48)	(394)	(54)
Effects of				
Ineligible costs and losses carried forward to future periods	334	48	394	54
Total income tax	-	-	-	-

A deferred tax asset has not been recognised at the reporting date in respect of trading tax losses. Due to the history of past losses, the Group has not recognised any deferred tax asset in respect of tax losses to be carried forward which are approximately €11.9 million at 31 December 2018 (2017: €9.2 million).

14 Loss per share and dividends

Loss per share

Basic loss per share is calculated by dividing the loss after taxation for the financial year attributable to the equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share is calculated by dividing the loss after taxation for the financial year attributable to the equity holders of the parent by adjusting the weighted average number of share in issue to assume conversion of all potential ordinary shares. For the purpose of calculating diluted loss per share for both 2018 and 2017, the potentially exercisable instruments in issue would have the effect of being antidilutive and, as such, the diluted loss per share is the same as the basic loss per share for both years.

Basic and diluted loss per share	31/12/2018 €'000	31/12/2017 €'000	31/12/2018 US$'000	31/12/2017 US$'000
Loss for the financial year attributable to the equity holders of the parent:				
Continuing operations	(1,996)	(233)	(2,372)	(262)
Discontinued operations	(676)	(148)	(783)	(168)
Loss for the financial year attributable to the equity holders of the parent	(2,672)	(381)	(3,155)	(430)
Weighted average number of ordinary shares (thousands)	81,564	81,564	81,564	81,564
Basic and diluted loss per share from continuing operations (cents)	**(€2.45)**	**(€0.29)**	**($2.91)**	**($0.32)**
Basic and diluted loss per share from discontinued operations (cents)	**(€0.83)**	**(€0.18)**	**($0.96)**	**($0.21)**
Basic and diluted loss per share from continuing and discontinued operations (cents)	**(€3.28)**	**(€0.47)**	**($3.87)**	**($0.53)**

On the 27 March 2019, the Company approved a number of share options incentive schemes for Directors, the total number of share granted was 5,600,000 shares.

Dividends

The directors did not recommend the payment of a dividend (2017: € Nil / US$ Nil).

15 Goodwill

The movements in the net carrying amount of goodwill are as follows:

	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Gross carrying amount				
Balance 1 January	-	-	-	-
Acquired through business combination (Note 33)	3,994	-	4,523	-
Net exchange difference	-	-	52	-
Balance at 31 December	**3,994**	**-**	**4,575**	**-**
Accumulated impairment	-	-	-	-
Balance at 1 January 31 December 2018	-	-	-	-
Carrying amount at 31 December	**3,994**	**-**	**4,575**	**-**

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises as set out below, and is compared to its recoverable value:

	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Goodwill allocated to biopharmaceutical segment	3,994	-	4,523	-

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by management. The present value of the expected cash flows of each segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

Recoverable amount of each operating segment	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Biopharmaceutical segment	10,827	-	12,384	-

Growth rates

The growth rates used are 160% for year 1, 39% for year 2 and 4% thereafter, these reflect the long-term average growth rates for the product lines and industries of the segments (all publicly available). The growth rate exceeds the overall long-term average growth rates for because the product produced by the biopharmaceutical segment are new and are expected to continue to grow at above-average rates for the foreseeable future.

Discount rates

The discount rate of 15% reflect appropriate adjustments relating to market risk and specific risk factors of each segment.

Cash flow assumptions

Management's key assumptions include fast initial growth (refer growth rates above), followed by stable profit margins, based on market analysis. The Group's management believes that this is the best available input for forecasting this mature market. No expected efficiency improvements have been taken into account and prices and wages reflect publicly available forecasts of inflation for the industry.

16 Other intangible assets

	--- Patents, trademarks and others ---	
	€'000	USD $'000
Cost		
At 1 January 2017	-	-
At 31 December 2017	-	-
At 1 January 2018	-	-
Acquisition through business combination (refer Note 33)	992	1,153
Exchange difference	(34)	(56)
At 31 December 2018	958	1,097
Net book value		
At 31 December 2018	958	1,097
At 31 December 2017	-	-

No amortisation of patents, trademarks and development costs were included in and recognised administration expenses during the year Nil (2017: €Nil / US$ Nil).

Research and development costs of €'000 484 / US$'000 572 (2017: €Nil / US$ Nil) were recognised as other expenses (refer Note 5).

Staff costs of €Nil / US$ Nil (2017: €Nil / US$ Nil) were capitalised during the year.

17 Property, plant and equipment – Group

	Continuing	Discontinued		Continuing	Discontinued	
	Office furniture & equip.	Mining equip.	Land and buildings	Office furniture & equip.	Mining equip.	Land and buildings
	€'000	€'000	€'000	$'000	$'000	$'000
Cost						
At 1 January 2017	70	810	1,131	111	1,010	1,526
Disposals	-	(501)	-	-	(543)	-
Effect of movements in exchange rates	1	-	-	1	-	-
At 31 December 2017	**71**	**309**	**1,131**	**112**	**467**	**1,526**
At 1 January 2018	71	309	1,131	112	467	1,526
Acquisition through business combination (refer Note 33)	1	-	-	1	-	-
Effect of movements in exchange rates	5	-	-	(15)	(113)	(230)
At 31 December 2018	**77**	**309**	**1,131**	**98**	**354**	**1,296**
Depreciation						
At 1 January 2017	67	203	224	105	230	284
Charge for year	1	2	34	3	2	36
Depreciation on disposal	-	(9)	-	-	(10)	-
At 31 December 2017	**68**	**196**	**258**	**108**	**222**	**320**
At 1 January 2018	68	196	258	108	222	320
Charge for year	2	8	20	2	10	24
Impairment	-	-	444	-	-	509
Effect of movements in exchange rates	4	65	-	(16)	79	(26)
At 31 December 2018	**74**	**269**	**722**	**94**	**311**	**827**
Net book values						
At 31 December 2018	**3**	**40**	**409**	**4**	**43**	**469**
At 31 December 2017	**3**	**113**	**873**	**4**	**245**	**1,206**

All mining equipment is included in the assets classified as held for sale and discontinued operations as disclosed in Note 36.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end. The useful lives have been reviewed and deemed to be appropriate.

At 31 December 2018, the disposal group was stated at fair value less costs to sell and comprised the following assets:

	------------Disposal group ------------	
Loss on remeasurement	**€'000**	**$'000**
Cost transferred from fixed assets	1,131	1,296
Accumulated depreciation transferred from fixed assets	(278)	(318)
Impairment (refer Note 7)	(444)	(509)
Fair value at 31 December 2018	409	469

The land and building were independently value by Center of Law Ltd (Magadan), a licensed property valuation company in Russia. The valuation amount to RUR'000 32,478 (€'000 409 / US$'000 469). This valuation resulted in impairment losses of €'000 444 / $'000 509 for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in 'other expenses' (refer Note 7). The impairment losses have been applied to reduce the carrying amount of land and buildings within the assets held for sale and discontinued operations.

Company	**Office furniture and equipment**	**Office furniture and equipment**
	€'000	**US$'000**
Cost		
At 1 January 2017 and 31 December 2017	50	68
Effect of movements in exchange rates	-	(11)
At 1 January 2018	50	57
Depreciation		
At 1 January 2017	47	64
Charge for year	1	1
At 31 December 2018	48	65
Accumulated depreciation		
At 1 January 2018	48	65
Depreciation	1	1
Effect of movements in exchange rates	-	(10)
At 31 December 2018	49	56
Net book value		
At 31 December 2018	1	1
At 31 December 2017	2	3

18 Investments in subsidiaries – Company

	01/01/2018	Movement during the year	31/12/2018	01/01/2018	Movement during the year	31/12/2018
	€'000	€'000	€'000	US$'000	US$'000	US$'000
Silver Star Limited	27,145	(3,029)	24,116	28,599	(974)	27,625
Investment in subsidiaries at cost	**27,145**	**(3,029)**	**24,116**	**28,599**	**(974)**	**27,625**

At 31 December 2018 the Company had the following direct and indirect subsidiary undertakings:

Name	Registered office & country of incorporation	Principal Activity	Proportion holding 2018	2017
CJSC Bulun	13 A Koltcevaya street, Magadan 685000, Russian Federation	Mineral Exploration	100%	100%
Magsel Limited	13 A Koltcevaya street, Magadan 685000, Russian Federation	Mineral Exploration	100%	100%
Comtrans	13 A Koltcevaya street, Magadan 685000, Russian Federation	Support Company	100%	100%
Ovoca Mining Limited	36 Vyronos Avenue, Nicosia Tower Center, 8th Floor, Flat 801 1506 Nicosia, Cyprus	Dormant	100%	100%
Silver Star Limited	27 Reid Street, 1st Floor, Hamilton HM11, Bermuda	Investment	100%	100%
Ovoca Gold (Russia) Limited	17 Pembroke Street Upper, Dublin 2, Ireland	Support company	100%	100%
IVIX LLC	Stoloviy Pereulok, 6 Moscow, 121069 Russian Federation	Biopharmaceutical	50.02%	-

All shares are directly held in subsidiaries, with the exception of CJSC Bulun, Magsel Limited and IVIX LLC, which are held through Silver Star Limited, and comprise of ordinary shares held in the Company.

Movement during the year

During the year, the Company impaired its shareholding in Silver Star Limited due to a reduction in the market value of the equity securities designated as at FVOCI which are held by Silver Star Limited.

Change in shareholdings

During the year the Group acquired control of IVIX LLC, further information relating to the acquisition is disclosed in Note 33.

Disclosures relating to subsidiaries

Information relating to subsidiaries that have non-controlling interests that are material to the Group are provided in Note 26.

19 Equity securities designated as at FVOCI

At 1 January 2018, the Group designated the investments shown below as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purposes. In 2017, these investments were classified under IAS 39 as available-for-sale.

	31/12/2018 €'000	31/12/2017 €'000	31/12/2018 US$'000	31/12/2017 US$'000
At 1 January	15,868	15,340	19,008	16,162
Fair value movement	(1,911)	1,447	(2,256)	1,634
Foreign exchange movement	(437)	1,068	(516)	1,212
Net translation adjustments	652	(1,987)	(3)	-
At 31 December	14,172	15,868	16,233	19,008
Consisting of:				
Quoted securities				
Polymetal International plc	12,865	14,577	14,737	17,461
Asset managed fund	1,297	1,276	1,486	1,529
Other	10	15	10	18
Closing balance	14,172	15,868	16,233	19,008

The Investment in Polymetal International plc represents the holding of 1,405,000 shares. Polymetal International plc is listed on the London stock exchange. The asset managed fund represents investments in quoted investments in US listed entities.

The above quoted securities are denominated in the following currencies:

	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Sterling	12,865	14,577	14,737	17,461
US Dollar	1,297	1,276	1,486	1,529
AUS Dollar	10	15	10	18
Closing balance	14,172	15,868	16,233	19,008

A reasonably possible change of 5% in market value at the reporting date would have increased (decreased) equity by the amounts shown below, as movement in the fair value are measured through OCI, there is no increase or decrease within profit or loss. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	------------- Equity ------------		------------- Equity ------------	
	€'000 5% increase	€'000 5% decrease	US$'000 5% increase	US$'000 5% decrease
31 December 2018				
Polymetal International plc	643	(643)	737	(737)
Asset managed fund	65	(65)	74	(74)
Other	1	(1)	1	(1)
Total	709	(709)	812	(812)
31 December 2017				
Polymetal International plc	729	(729)	739	(739)
Asset managed fund	64	(64)	68	(68)
Other	1	(1)	1	(1)
Total	794	(794)	808	(808)

20 Inventories

	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Finished goods	179	-	205	-
Finished goods as held for resale (refer Note 36)	3	4	5	5
	182	**4**	**209**	**5**

The Group has not recognised an inventory write down during the year (2017: € Nil / US$ Nil).

In the opinion of the directors the replacement cost of the stock did not differ significantly from the figure shown (2017: € Nil / US$ Nil). No inventory was recognised as an expense during the year.

21 Trade and other receivables

	Group				Company			
	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Tax refundable	53	35	61	42	53	6	61	7
Other debtors	138	-	158	-	61	-	70	-
Amounts owed by group undertakings (refer Note 29)	-	-	-	-	466	693	534	830
	191	**35**	**219**	**42**	**580**	**699**	**665**	**837**
Trade and other receivables as held for resale (refer Note 36)	5	4	7	5	-	-	-	-
	196	**39**	**226**	**47**	**580**	**699**	**665**	**837**

All amounts are short term. Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

22 Cash and cash equivalents

	Group				Company			
	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Cash at bank	1,378	4,918	1,578	5,891	929	2,837	1,064	3,398
Short term deposits	445	628	510	752	-	-	-	-
	1,823	**5,546**	**2,088**	**6,643**	**929**	**2,837**	**1,064**	**3,398**
Cash classified as held for resale (refer Note 36)	24	3	27	4	-	-	-	-
	1,847	**5,549**	**2,115**	**6,647**	**929**	**2,837**	**1,064**	**3,398**

Cash and cash equivalents are held by the Group on a short-term basis with all having an original maturity of three months or less. The carrying amount approximates their fair value. Short-term deposits are obtained at prevailing market rate conditions.

23 Share capital				
Group and company	2018	2017	2018	2017
	€	€	US$	US$
Authorised equity				
120,000,000 Ordinary shares of 12.5 cent each	15,000,000	15,000,000	21,000,000	21,000,000
	15,000,000	15,000,000	21,000,000	21,000,000

Group and company	Number of ordinary shares	Share capital	Share capital
Issued, called up and fully paid		€'000	US$'000
At 1 January 2017 and 31 December 2017	88,458,806	11,057	15,586
At 1 January 2018 and 31 December 2018	88,458,806	11,057	15,586

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

Treasury shares

The reserve for the Company's treasury shares comprises the cost of the Company's shares held by the Group

On 28 April 2015, Ovoca Bio plc purchased 5,800,000 ordinary shares of nominal value €0.125 each of the issued share capital of the Company at a price of GBP 6.8p. Ovoca Bio plc intends to hold these shares as treasury stock.

As of year-end 2018, the Company has a total of 81,563,806 (2017: 81,563,806) Ordinary Shares in issue excluding treasury shares of 6,895,000 which have a cumulative cost of €'000 547 / US$'000 607. The purchase was made pursuant to the authority granted by shareholders at an Extraordinary General Meeting of the Company held on 17 October 2014. To date, Ovoca has acquired 7.8% (2017: 7.8%) of its own share capital under this approved share buyback programme.

24 Retained earnings	Group				Company			
	2018	2017	2018	2017	2018	2017	2018	2017
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Surplus at 1 January	1,832	2,213	3,257	3,687	11,786	11,553	18,129	17,867
Share of (Loss)/profit for the year	(2,356)	(381)	(2,783)	(430)	(4,696)	233	(5,546)	262
Surplus at 31 December	(524)	1,832	474	3,257	7,090	11,786	12,583	18,129

Retained earnings is made up of accumulated profits and losses.

In accordance with the provisions of the Companies Act 2014, Section 304(2), the Company has not presented an income statement. A loss for the year of €'000 4,696 / US$'000 5,546 (2017: income of €'000 233 / US$'000 262) has been recognised in the income statement of the Company.

25 Other reserves – Group

	Other reserves €'000	Foreign currency translation reserve €'000	Share based payment reserve €'000	Total €'000	Other reserves US$000	Foreign currency translation reserve US$000	Share based payment reserve US$000	Total US$000
At 1 January 2018	5,878	3,745	438	10,061	6,585	1,494	792	8,871
Other comprehensive income/(loss):								
Fair value movement on equity securities designated as at FVOCI	(1,911)	-	-	(1,911)	(2,256)	-	-	(2,256)
Exchange movement on equity securities designated as at FVOCI	(437)	-	-	(437)	(516)	-	-	(516)
Foreign exchange (loss)/gain arising from translation of financial statements of a foreign operations	-	767	-	767	-	(412)	-	(412)
Transactions with owners of the Company								
Share based payments expired	438	-	(438)	-	792	-	(792)	-
Balance at 31 December 2018	3,968	4,512	-	8,480	4,605	1,082	-	5,687
At 1 January 2017	2,507	6,947	1,294	10,748	2,780	1,953	1,759	6,492
Other comprehensive income/(loss):								
Foreign exchange loss arising from translation of financial statements of a foreign operation	-	(3,202)	-	(3,202)	-	(459)	(8)	(467)
Fair value movement on availableforsale financial assets	1,447	-	-	1,447	1,634	-	-	1,634
Exchange movement on availableforsale financial assets	1,068	-	-	1,068	1,212	-	-	1,212
Transactions with owners of the Company								
Share based payments expired	856	-	(856)	-	959	-	(959)	-
Balance at 31 December 2017	5,878	3,745	438	10,061	6,585	1,494	792	8,871

25 Other reserves – Company

	Other reserves €'000	Share based payment reserve €'000	Total €'000	Other reserves US$000	Foreign currency translation reserve US$000	Share based payment reserve US$000	Total US$000
At 1 January 2018	867	438	1,305	1,041	(10,486)	739	(8,706)
Other comprehensive income:							
Exchange movement on translation from functional currency	-	-	-	-	2,820	-	2,820
Transactions with owners of the Company							
Share based payments expired during the financial year	438	(438)	-	739	-	(739)	-
Balance at 31 December 2018	**1,305**	**-**	**1,305**	**1,780**	**(7,666)**	**-**	**(5,886)**
At 1 January 2017	11	1,294	1,294	16	(10,037)	1,764	(8,257)
Other comprehensive (loss):							
Exchange movement on translation from functional currency	-	-	-	-	(449)	-	(449)
Transactions with owners of the Company							
Share based payments expired during the financial year	856	(856)	-	1,025	-	(959)	-
Balance at 31 December 2017	**867**	**438**	**1,294**	**1,041**	**(10,486)**	**739**	**(8,706)**

26 Non-controlling interest

The following table summarises the information relating to each of the Group's subsidiaries that has material Non-Controlling Interest (NCI), before any intragroup eliminations

	2018 €'000 IVIX LLC	2017 €'000 IVIX LLC	2018 US$'000 IVIX LLC	2017 US$'000 IVIX LLC
NCI percentage	49.98%	0.00%	49.98%	49.98%
Noncurrent assets	959	-	1,099	-
Current assets	591	-	677	-
Current liabilities	(125)	-	(143)	-
Net assets	**1,425**	**-**	**1,633**	**-**
Net assets attributable to NCI	712	-	815	-
NCI Share of goodwill (refer Note 33)	1,448	-	1,633	-
Total NCI	**2,160**	**-**	**2,448**	**-**

	For the 3 month period ended 31/12/2018	For the 3 month period ended 31/12/2017	For the 3 month period ended 31/12/2018	For the 3 month period ended 31/12/2017
	€'000	€'000	US$'000	US$'000
	IVIX LLC	IVIX LLC	IVIX LLC	IVIX LLC
NCI percentage	49.98%	-%	49.98%	-%
Administration expenses	(655)	-	(774)	-
Other gains and losses	19	-	22	-
Operating loss	**(636)**	**-**	**(752)**	**-**
Finance costs	-	-	-	-
Finance income	4	-	5	-
Loss for the financial year before tax	**(632)**	**-**	**(747)**	**-**
Income tax	-	-	-	-
Loss for the financial year	**(632)**	**-**	**(747)**	**-**
Foreign exchange loss arising from translation of financial statements of a foreign operation	(58)	-	(68)	-
Other comprehensive loss for the financial year	**(58)**	**-**	**(68)**	**-**
Total comprehensive loss for the financial year	**(690)**	**-**	**(815)**	**-**
Profit allocated to NCI	(316)	-	(373)	-
OCI allocated to NCI	(29)	-	(34)	
Total comprehensive loss allocated to NCI	**(345)**		**(407)**	

IVIX LLC contributed €'000 632 / US$'000 746 to the consolidated loss for the three months from 1 October 2018 to 31 December 2018. If IVIX had been acquired on 1 January 2018, the loss contributed to the Group for 2018 would have been €'000 1,262 / US$'000 1,490.

	For the 3 month period ended 31/12/2018	For the 3 month period ended 31/12/2017	For the 3 month period ended 31/12/2018	For the 3 month period ended 31/12/2017
	€'000	€'000	US$'000	US$'000
Cash flows attributable to IVIX LLC				
Net cash from operating activities	(690)	-	(828)	-
Net cash used in investing activities	-	-	-	-
Net cash from (used in) financing activities	-	-	-	-
Net cash inflow	(690)	-	(828)	-

27 Trade and other payables

	------------------- Group			--------------------	---------------- Company			-----------------
	2018	2017	2018	2017	2018	2017	2018	2017
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Trade payables	115	5	131	6	2	1	2	1
Amounts owed to group undertakings (refer note 29)	-	-	-	-	6,128	6,498	7,020	7,443
Accruals	63	36	71	43	44	36	50	384
	178	41	202	49	6,174	6,535	7,072	7,828
Liabilities classified as held for resale (refer note 36)	8	5	9	6	-	-	-	-
	186	46	214	55	6,174	6,535	7,072	7,828

All amounts are short term and non-interest bearing. The net carrying value of trade payables is considered a reasonable approximation of fair value. Trade payables written back during the year amounted to €Nil / $ Nil (2017:€ '000 149 / USD '000 214), refer Note 7.

28 Borrowings

	-------------------Group			-------------------	---------------- Company			-----------------
	2018	2017	2018	2017	2018	2017	2018	2017
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Loan from third party	989	-	1,133	-	-	-	-	-

The loan from a third party is denominated in US Dollars and bears an interest rate of 7.25%. The loan has been repaid in full on 8 February 2019.

Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Group				Company			
	2018	2017	2018	2017	2018	2017	2018	2017
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Balance at 1 January 2017 and 31 December 2017	-	-	-	-	-	-	-	-
Changes from financing cash flows								
Proceeds from borrowings	989	-	1,133	-	-	-	-	-
Other changes								
Interest expense	5	-	6	-	-	-	-	-
Interest paid	(5)	-	(6)	-	-	-	-	-
Balance at 31 December 2018	**989**	-	**1,133**	-	-	-	-	-

29 Related party transactions

Details of subsidiary undertakings are shown in Note 18. In accordance with International Accounting Standard 24 - Related Party Disclosures, transactions between group entities that have been eliminated on consolidation are not disclosed. Key management personnel are the Board of Directors. Details of the remuneration of Directors are disclosed in Note 11 of the consolidated financial statements. None of the related party transactions disclosed above were undertaken with the parent company, Ovoca Bio plc.

Included in amounts owed by/(to) group undertaking are amounts shown below:

	Company			
	2018	2017	2018	2017
	€'000	€'000	US$'000	US$'000
Comtrans	466	693	534	830
Amounts owed by group undertakings (refer Note 21)	**466**	**693**	**534**	**830**
Silver Star Limited	(6,128)	(6,498)	(7,020)	(7,443)
Amounts owed to group undertakings (refer Note 27)	**(6,128)**	**(6,498)**	**(7,020)**	**(7,443)**

At 31 December 2018, the Parent company had balances receivable of €'000 466 / US$'000 534 (2017: €'000 693/US$'000 830) from its subsidiaries. These receivables mainly relate to management services and loans to subsidiaries. Total provision in respect of amounts due from subsidiary undertakings at 31 December 2018 is €'000 631 /US$'000 745 (2017: €'000 272 / US$'000 307). The impairment loss recognised in the Parent company in respect of amounts due from subsidiary undertakings has been calculated using expected credit loss model as required by IFRS 9.

In determining the impairment loss, amounts due from subsidiaries were classified as either amounts repayable on demand, low credit risk receivables or amounts for which there has been a substantial increase in credit risk since initial recognition. In determining the expected credit loss (including probability of default and loss given default), regard was given to the historic performance of the relevant loan as well as forward looking information for the relevant subsidiary including detailed discounted cash flow forecasts. For repayable on demand loans where the loan could not be repaid at the reporting date, expected credit losses were calculated by considering the likely recovery strategies of the Parent company, including consideration of 'repay over time' strategies. For loans with a substantial increase in credit risk, consideration was given to the future activities and cash flows of the subsidiary and life time expected credit losses were recognised accordingly where appropriate.

30 Financial instruments

The Group monitors relevant aspects of financial instrument risk on an ongoing basis. Financial instrument risks primarily relates to foreign exchange risk, credit risk, liquidity risk and market risk.

The following table shows the carrying amount of financial assets and financial liabilities. in each category are as follows

	Group				Company			
	2018	2017	2018	2017	2018	2017	2018	2017
	€'000	€'000	US$'000	US$'000	€'000	€'000	US$'000	US$'000
Financial assets not measured at fair value								
Investments (refer Note 18)	-	-	-	-	24,116	27,145	27,625	28,599
Cash and cash equivalents (refer Note 22)	1,823	5,546	2,008	6,643	929	2,837	1,064	3,398
Other debtors (refer Note 21)	138	-	158	-	61	-	70	-
Amounts owed by group undertakings (refer Note 21)	-	-	-	-	466	693	534	830
	1,961	**5,546**	**2,166**	**6,643**	**25,572**	**30,675**	**29,293**	**32,827**
Financial assets measured at fair value								
Equity securities designated as at FVOCI (refer Note 19)	14,172	15,868	16,233	19,008	-	-	-	-
	14,172	**15,868**	**16,233**	**19,008**	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables (refer Note 27)	178	41	202	49	6,174	6,535	7,072	7,828
	178	**41**	**202**	**49**	**6,174**	**6,535**	**7,072**	**7,828**

Foreign Exchange Risk

Exchange rate fluctuations may affect the cost that the Group incurs with its operations. Any fluctuations of the Euro and Russian Rouble against the US Dollar may have a significant impact on the Company's financial position and results in future.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

	Financial Assets		Financial Liabilities	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	€'000	€'000
United States Dollar	15,752	21,131	986	-
Russian Rouble	143	1,694	12	8

The following table details the Group's sensitivity to a 10% increase and decrease in the Euro against United States Dollar and Russian Rouble. 10% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in foreign currency rates, it assumes that all other variables, in particular bank interest rates, remain constant and ignores the impact of forecast sales and purchases

	United States Dollar Impact		Russian Rouble Impact	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	€'000	€'000
Profit or loss	1,342	2,134	12	170

Credit Risk

This refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining significant collateral, where appropriate, as a means of mitigating the risk of financial loss from defaulters. The table below analyses the maximum exposure of the Group's financial assets which are subject to credit risk:

	Group	Group	Group	Group
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	US$'000	US$'000
Trade and other receivables	138	-	158	-
Cash and cash equivalents (Note 22)	1,823	5,546	2,008	6,643
Total	1,961	5,546	2,166	6,643

The Group continuously monitors defaults of customers and other counterparty, identified either individually or by the Group, and incorporates this information into its credit risk controls. In relation to the credit risk for cash and cash equivalents, the risk is considered to be negligible, since the counterparties are reputable banks with high quality external credit ratings. The Group's management considers that all of the above financial assets are of good credit quality, as the Group's policy is to deal only with creditworthy customers.

Liquidity Risk

This refers to the risk that the Group will not have the sufficient funds to meet its liabilities. The Group holds its cash in currencies in which it expects to incur expenditure, including Euros, US Dollar and Russian Roubles. The Group's reporting currency is the Euro. The most meaningful information relates to the Group's current liquidity – since it is not generating any income from its mineral projects.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the earliest date on which the Group can be required to pay. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 1 year equal to their carrying values, as the impact of the discounting is not significant.

Balances due within 1 year	Group	Group	Group	Group
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
	€'000	€'000	US$'000	US$'000
Trade and other payables (Note 27)	178	41	202	49
Borrowings (Note 28)	989	-	1,133	-
Total	1,167	41	1,335	49

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and available for sale financial assets. The Group's current cash resources (Note 22), trade and other receivables (Note 21) and equity investments measured through other comprehensive income (Note 19) significantly exceed the current cash outflow requirements.

Market Risk

Factors beyond the control of the Group may affect the marketability of its securities. Prices are subject to fluctuation and are affected by factors beyond the control of the Group. The effect of these factors on the Group's operations cannot be accurately predicted. Fluctuations in stock market prices affect the Group's Equity securities at FVOCI. The Group seek to minimise this risk by closely monitoring stock market movements on an ongoing basis. A detailed sensitivity analysis of the impact of changes in the market price of securities is available at Note 19.

Fair Value measurement

Equity securities FVOCI are measured at Level 1. These are the only financial asset of the Group measured at fair value on a recurring basis. There were no transfers between Levels in 2018 and 2017.

Capital management

The Group considers total equity as capital. Its primary objective in capital management is to maintain a strong credit rating in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may issue new shares or other financial instruments in relation to ensure the liquidity and the necessary level of the working capital. The amounts managed as capital by the Group for the reporting periods are as summarized as follows:

	Group 31/12/2018 €'000	Group 31/12/2017 €'000	Group 31/12/2018 US$'000	Group 31/12/2017 US$'000
Total Equity	20,626	22,403	23,628	27,107

31 Share based payments - Group and Company

Under the share option scheme employees of the Group can receive conditional awards of share options depending on their performance, seniority and length of service. All options issued to date vest once granted. IFRS 2 requires that a recognised valuation methodology be employed to determine the fair value of share options granted. The valuation model used by the Company in years where options are granted or vesting is the Bi-nominal model. Fair value is determined under the equity settled share based remuneration schemes operated by the group.

The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years. The market vesting condition was factored into the valuation of the phantom options by applying an appropriate discount to the fair value of equivalent share appreciation rights without the specified vesting conditions. The Group did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

Expired share options were transferred to other reserves during the year.

	----------------- 2018 -----------------		----------------- 2017 -----------------	
	Number of options	Weighted average exercise price (€cent per share)	Number of options	Weighted average exercise price (€cent per share)
Outstanding at 1 January	200,000	41	3,200,000	33
Expired during the year	(200,000)	-	(3,000,000)	-
Outstanding at 31 December	-	-	200,000	41
Of which:				
Exercisable at 31 December	-	-	200,000	41

32 Commitments under operating leases

	Group				Company			
	2018	2017	2018	2017	2018	2017	2018	2017
	€'000	€'000	$'000	$'000	€'000	€'000	$'000	$'000
No later than one year	27	11	32	12	32	12	-	-

The Group leases offices under non-cancellable operating lease agreements. The lease expenditure charged to the income statement during the year is disclosed in Note 5 of the consolidated financial statements.

33 Acquisition of subsidiary

On 25 September 2018, the Group acquired 50.02% of the equity instruments of IVIX LLC ("IVIX"), a Russian based business, thereby obtaining control. The acquisition was made to diversify the Group's position.

The details of the business combination as follows:

Fair value of consideration transferred	€'000	US$'000
Amount settled in cash	3,604	4,120

Recognised amounts of identifiable net assets	€'000	US$'000
Non-current assets		
Property, Plant and Equipment	1	1
Intangible assets	992	1,153
Total non-current assets	993	1,154
Current assets		
Inventories	31	37
Trade and other receivables	37	45
Cash and cash equivalents	1,129	1,312
Total current assets	1,197	1,394
Non-current liabilities		
Other non-current payables	(15)	(17)
Total non-current liabilities	(15)	(17)
Current liabilities		
Trade and Other Payables	(52)	(64)
Provisions	(5)	(6)
Total current liabilities	(57)	(70)
Identifiable net assets	2,118	2,459

Cash outflow on acquisition	€'000	US$'000
Consideration transferred settled in cash	(3,604)	(4,120)
Cash and cash equivalents acquired	1,129	1,312
Net cash outflow on acquisition	(2,475)	(2,808)
Acquisition costs charged to expenses	(357)	(422)

Acquisition-related costs amounting to €'000 357 / US$'000 422 are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss, as part of administrative expenses in Note 5.

Goodwill arising from the acquisition has been recognised as follows:	Parent	NCI	Total	Parent	NCI	Total
	€'000	€'000	€'000	US$'000	US$'000	US$'000
Amount settled in cash (refer above)	3,604	-	3,604	4,120	-	4,120
Fair value of NCI at acquisition date (refer below)	-	2,505	2,505	-	2,861	2,861
Identifiable net assets (refer above)	(1,058)	(1,057)	(2,115)	(1,230)	(1,228)	(2,458)
Goodwill recognised on acquisition (refer Note 15)	2,546	1,448	3,994	2,890	1,633	4,523

The goodwill is attributable mainly to the skills and technical talent of IVIX's work force. None of the goodwill recognised is expected to be deductible for tax purposes.

The Fair Value of the NCI at the acquisition date was independently valued at Russian Rouble 191 million (€ 2.5 million / US$ 2.7 million) by International Business Center, an independent firm specialising in consulting, investments and company valuations.

At the date of acquisition, the Company also had the right to acquire a further participation interest (shareholding) to be issued by IVIX for US$2.04 million which would increase its overall participation interest in the charter capital of IVIX by 9.9 per cent. The fair value to this right was valued at €Nil / $Nil, this option was exercised in full post year end, refer Note 37.

34 Prior year presentation

Certain accounts in the prior year have been reclassified to conform to current year presentation.

35 Adoption of new accounting standards

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and measurement", it makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for the impairment of financial assets. The Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but have not been generally applied to comparative information.

On the date of initial application, 1 January 2018, the financial instruments of the Group and Company were reclassified as follows:

Group	Original classification under IAS 39	New classification under IFRS	Original carrying amount under IAS 39	New carrying amount under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
			€'000	€'000	US$'000	US$'000
Financial assets						
Cash and cash equivalents (refer Note 22)	Amortised cost	Amortised cost	5,546	5,546	6,643	6,643
Equity securities designated as at FVOCI (refer Note 19)	Available-for-sale	FVOCI – equity instrument	15,868	15,868	19,008	19,008
Total financial assets			21,414	21,414	25,651	25,651
Financial liabilities						
Trade and other payables (refer Note 27)	Amortised cost	Amortised cost	41	41	49	49
Total financial liabilities			41	41	49	49

Company	Original classification under IAS 39	New classification under IFRS	Original carrying amount under IAS 39 €'000	New carrying amount under IFRS 9 €'000	Original carrying amount under IAS 39 US$'000	New carrying amount under IFRS 9 US$'000
Financial assets not measured at fair value	Amortised cost	Amortised cost				
Investments (refer Note 18)			27,145	27,145	28,599	28,599
Cash and cash equivalents (refer Note 22)	Amortised cost	Amortised cost	2,837	2,837	3,398	3,398
Amounts owed by group undertakings (refer Note 21)	Amortised cost	Amortised cost	693	693	830	830
Total financial assets			**30,675**	**30,675**	**32,827**	**32,827**
Financial liabilities not measured at fair value						
Trade and other payables (refer Note 27)	Amortised cost	Amortised cost	6,535	6,535	7,828	7,828
Total financial liabilities			**6,535**	**6,535**	**7,828**	**7,828**

These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss. The adoption of this classification was based on assessments have been made on the basis of the facts and circumstances that existed at the date of initial application. Therefore, the comparative has not been restated.

36 Disposal group classified as held for sale and discontinued operations

Management of the Group has a detailed plan and currently looking for interested parties with respect to the sale of its subsidiaries, CJSC Bulun, Magsel LLC and Comtrans LLC, which is involved in the exploration of mining in the Russian Federation. The disposal is consistent with the Group's long-term policy to refocus its activities as a bio-pharmaceutical company in 2018. The disposal is expected to be completed in the next following twelve months.

Consequently, assets and liabilities allocated the exploration segment of the Group were classified as a disposal group. Revenues and expenses, gains and losses relating to the discontinuation of this segment have been eliminated from profit or loss from the Group's continuing activities and are shown as a single line item on the face of the consolidated income statement. The combined results of the discontinued operations included in the loss for the financial period are set out below.

	31/12/2018 €'000	31/12/2018 €'000	31/12/2018 US$'000	31/12/2018 US$'000
Administration expenses (Note 5)	(94)	(141)	(111)	(159)
Other losses (Note 7)	(580)	(5)	(670)	(6)
Operating loss	**(674)**	**(146)**	**(781)**	**(165)**
Finance costs	(2)	(2)	(2)	(3)
Finance income	-	-	-	-
Loss before tax	**(676)**	**(148)**	**(783)**	**(168)**
Income tax	-	-	-	-
Loss after tax for the financial year from discontinued operations	**(676)**	**(148)**	**(783)**	**(168)**

	31/12/2018 €'000 2018	31/12/2018 €'000 2017	31/12/2018 US$'000 2018	31/12/2018 US$'000 2017
Cash flows from discontinued operations	€			€
Operating activities	(24)	(3)	(27)	(4)
Net cash flows used in discontinued operations	(24)	(3)	(27)	(4)

The carrying amount of assets and liabilities in this disposal group are summarised as follows:

	---------------------------------------Group-------------------------------			
	2018 €'000	2017 €'000	2018 US$'000	2017 US$'000
Assets classified as held for resale:	€			€
Non-current assets:				
Property, plant and equipment (Note 17)	449	986	512	1,451
Current assets:				
Inventories (Note 20)	3	4	5	5
Trade and other receivables (Note 21)	5	4	7	5
Cash and cash equivalents (Note 22)	24	3	27	4
Assets classified as held for resale	481	997	551	1,465
Liabilities classified as held for resale:				
Current liabilities:				
Liabilities classified as held for resale	8	5	9	6

37 Subsequent events

Acquisition of Additional Interest in IVIX

The Company also had the right to acquire a further participation interest (shareholding) to be issued by IVIX for US$2.04 million which would increase its overall participation interest in the charter capital of IVIX by 9.9 per cent. On 27 March 2019 the Board of Ovoca approved the acquisition of this further participation interest in IVIX. Following the exercise of the option, Ovoca now holds an approximately 59.84 per cent interest in the charter capital of IVIX.

38 Approval of the financial statements

These financial statements were approved by the Board of Directors 20 June 2019.