

VIBRANA HOLDINGS LTD

FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2019

VIBRANA HOLDINGS LTD

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

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VIBRANA HOLDINGS LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Aristotelis Karytinis (appointed on 01.03.2019)
Spyridon Makridakis (appointed on 01.03.2019)
Thiresia Messari (appointed on 01.03.2019)
Androulla Papadopoulou (appointed on 01.03.2019)
Themis Directors Limited (resigned on 01.03.2019)
Niki Tofaridou (appointed on 01.03.2019 and resigned on 17.04.2019)

Company Secretary:

Themis Secretarial Services Limited

Independent Auditors:

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Registered office:

16, Kyriacou Matsi Street
EAGLE HOUSE, Floor 6, Agioi Omologites
1082 Nicosia
Cyprus

Registration number:

HE389907

Independent auditor's report

To the Members of Vibrana Holdings Limited

Report on the financial statements

We have audited the accompanying parent company financial statements Vibrana Holdings Limited (the "Company"), which are presented in pages 5 to 18 and comprise the statement of financial position as at 31 December 2019, and the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company financial statements give a true and fair view of the financial position of Vibrana Holdings Limited as at 31 December 2019, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Responsibilities of the Board of Directors for the Financial Statements

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

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

*PricewaterhouseCoopers Ltd, PwC Central, 43 Demostheni Severi Avenue, CY-1080 Nicosia
P O Box 21612, CY-1591 Nicosia, Cyprus
T: +357 - 22 555 000, F: +357 - 22 555 001, www.pwc.com.cy*

PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No. 143594). Its registered office is at 3 Themistocles Dervis Street, CY-1066, Nicosia. A list of the company's directors, including for individuals the present and former (if any) name and surname and nationality, if not Cypriot and for legal entities the corporate name, is kept by the Secretary of the company at its registered office. PwC refers to the Cyprus member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

Independent Auditor's Report (continued)

To the Members of Vibrana Holdings Ltd

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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Independent Auditor's Report (continued)

To the Members of Vibrana Holdings Ltd

Other matter

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

A handwritten signature in blue ink that reads 'George C. Kazamias' followed by a stylized flourish.

George C. Kazamias
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors
Nicosia, 24 June 2020

VIBRANA HOLDINGS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2019

| | Note | 16/10/2018- 31/12/2019 € |
|--|------|--------------------------------|
| Administration expenses | 8 | <u>(190,875)</u> |
| Operating loss | | (190,875) |
| Net finance costs | 9 | <u>(4,504)</u> |
| Loss before tax | | (195,379) |
| Tax | 10 | <u>-</u> |
| Net loss for the period | | (195,379) |
| Other comprehensive income | | <u>-</u> |
| Total comprehensive loss for the period | | <u>(195,379)</u> |

The notes on pages 9 to 18 form an integral part of these financial statements.

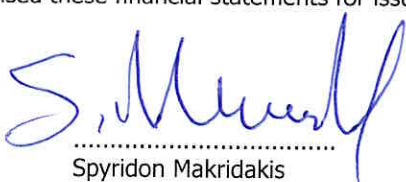
VIBRANA HOLDINGS LTD

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

| | Note | 2019 € |
|-------------------------------------|------|--------------------------|
| ASSETS | | |
| Non-current assets | | |
| Investments in subsidiaries | 11 | <u>56,803,288</u> |
| | | <u>56,803,288</u> |
| Current assets | | |
| Receivables | 12 | 196 |
| Cash at bank | 13 | <u>404,024</u> |
| | | <u>404,220</u> |
| Total assets | | <u><u>57,207,508</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 14 | 200 |
| Share premium | 14 | 57,349,900 |
| Accumulated losses | | <u>(195,379)</u> |
| Total equity | | <u><u>57,154,721</u></u> |
| Current liabilities | | |
| Trade and other payables | 15 | <u>52,787</u> |
| | | <u>52,787</u> |
| Total equity and liabilities | | <u><u>57,207,508</u></u> |

On 24th of June 2020 the Board of Directors of Vibrana Holdings Ltd authorised these financial statements for issue.


Aristotelis Karytinis
Director


Spyridon Makridakis
Director

The notes on pages 9 to 18 form an integral part of these financial statements.

VIBRANA HOLDINGS LTD

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2019

| | Note | Share capital € | Share premium € | Accumula- ted loss € | Total € |
|------------------------------------|------|-----------------------|--------------------------|----------------------------|--------------------------|
| Comprehensive loss | | | | | |
| Net loss for the year | | - | - | (195,379) | (195,379) |
| Transactions with owners | | | | | |
| Issue of share capital | 14 | <u>200</u> | <u>57,349,900</u> | <u>-</u> | <u>57,350,100</u> |
| Balance at 31 December 2019 | | <u><u>200</u></u> | <u><u>57,349,900</u></u> | <u><u>(195,379)</u></u> | <u><u>57,154,721</u></u> |

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

The notes on pages 9 to 18 form an integral part of these financial statements.

VIBRANA HOLDINGS LTD

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2019

| | 16/10/2018- 31/12/2019 | |
|---|----------------------------|------|
| | € | Note |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (195,379) | |
| Adjustments for: | | |
| Finance costs | 4,504 | |
| | <u>(190,875)</u> | |
| Changes in working capital: | | |
| Increase in receivables | (96) | |
| Increase in trade and other payables | 49,499 | |
| Cash generated from operations | <u>(141,472)</u> | |
| Finance costs paid | (4,504) | |
| Net cash generated from operating activities | <u><u>(145,976)</u></u> | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payment for purchase of investments in subsidiaries | <u>(18,155,215)</u> | |
| Net cash used in investing activities | <u><u>(18,155,215)</u></u> | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of share capital | 18,705,215 | |
| Net cash generated from financing activities | <u>18,705,215</u> | |
| Net increase in cash and cash equivalents | 404,024 | |
| Cash and cash equivalents at beginning of the year | - | |
| Cash and cash equivalents at end of the year | <u><u>404,024</u></u> | 13 |
| Non-Cash transactions: | | |

During the year 2019 the Company acquired a 97,93% holding in CTDC in exchange of issue of share capital.

| | |
|--|--------------|
| Proceeds from the issue of share capital increase | 38.644.785 |
| Payment for acquisition of the investments in subsidiaries | (38.644.785) |

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The notes on pages 9 to 18 form an integral part of these financial statements.

VIBRANA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

1. Incorporation and principal activities

Country of incorporation

The Company Vibrana Holdings Ltd (the "Company") was incorporated in Cyprus on 16th of October 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 16, Kyriacou Matsi Street, EAGLE HOUSE, Floor 6, Agioi Omologites, 1082 Nicosia, Cyprus.

Principal activities

The Company is an investment holding company. Its principal activities are the holding of the 100% of shares of the "The Cyprus Tourism Development Company Limited" ("CTDC").

The Company is a member of the Group of Prodea Investments (ex NBG Pangaea REIC) incorporated in Greece, which on 31 December 2019 held 90% of the Company's share capital. The Company's financial statements are consolidated in the financial statements of the above Group by the full consolidation method.

These financial statements are available at the Company's Registered Office and on the website address of the parent company, Prodea Investments (<http://www.prodea.gr>).

The Company did not employ any personnel as of 31 December 2019.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the parent company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in Greece and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2019.

The European Commission has concluded that since parent companies are required by the EU Accounting (2013/34/EU) Directive to prepare separate financial statements and since the Cyprus Companies Law, Cap.113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IFRS 10 "Consolidated Financial statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

3. Adoption of new or revised standards and interpretations

During the period of incorporation the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 16 October 2018.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company 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.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Income tax expense represents the sum of the tax current income tax and deferred tax.

Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

4. Significant Accounting Policies (continued)

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes levied by the same tax authority on the Company where there is an intention to settle the balances on a net basis.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognized in profit or loss. The Company assesses on a forward-looking basis the expected credit losses (ECL) for trade and other receivables. ECL represent the difference between contractual cash flows and those that the Company expects to receive.

ECL are recognized on the following basis:

-12-month ECL are recognized from initial recognition, reflecting the portion of lifetime cash shortfalls that would result if a default occurs in the 12 months after the reporting date, weighted by the risk of a default occurring. Receivables in this category are referred to as instruments in stage 1.

-Lifetime ECL are recognized if a significant increase in credit risk (SICR) is detected subsequent to the instrument's initial recognition, reflecting lifetime cash shortfalls that would result from all possible default events over the expected life of a financial instrument, weighted by the risk of a default occurring. Receivables in this category are referred to as instruments in stage 2.

The Company's receivables are short term in nature and in general are due in a period less than 12-months, hence ECL are determined for this shorter period where applicable, irrespective of their classification in stage 1 or 2.

Lifetime ECL are always recognized for credit-impaired trade and other receivables, referred to as instruments in stage 3. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

VIBRANA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

4. Significant Accounting Policies (continued)

Trade payables

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

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

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 a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

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

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Share capital

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

6. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets.

6.2 Liquidity risk

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

6.3 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Fair value estimation

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

Fair value measurements recognised in statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

7. Critical accounting estimates, judgments and assumptions

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

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Income taxes**

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

Critical judgements in applying the Company's accounting policies

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

8. Expenses by nature

| | 16/10/2018- 31/12/2019 € |
|-------------------------|--------------------------------|
| Auditor's remuneration | 4,500 |
| Other professional fees | 128,664 |
| Irrecoverable VAT | 25,206 |
| Stamp duty fees | 22,034 |
| Sundry expenses | 5,265 |
| Other expenses | 5,206 |
| Total expenses | 190,875 |

VIBRANA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

9. Finance costs

| | 16/10/2018- 31/12/2019 € |
|----------------------|--------------------------------|
| Bank charges | <u>4,504</u> |
| Finance costs | <u><u>4,504</u></u> |

10. Tax

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

| | 16/10/2018- 31/12/2019 € |
|---|--------------------------------|
| Loss before tax | <u><u>(195,379)</u></u> |
| Tax calculated at the applicable tax rates | (24,422) |
| Tax effect of expenses not deductible for tax purposes | 23,511 |
| Tax effect of unused losses not recognised as deferred tax assets | <u>911</u> |
| Tax charge | <u><u>-</u></u> |

The corporation tax rate is 12,5%.

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

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

11. Investments in subsidiaries

| | 16/10/2018- 31/12/2019 € |
|------------------------------------|--------------------------------|
| Balance at 16 October 2018 | - |
| Additions | <u>56,803,288</u> |
| Balance at 31 December 2019 | <u><u>56,803,288</u></u> |

On 18 April 2019, the Company acquired the 97.93% of the shares of the Cypriot company "The Cyprus Tourism Development Company Limited" ("CTDC"), owner of the 5* hotel "The Landmark Nicosia" in Nicosia, Cyprus. The total consideration for the acquisition of the shares of CTDC amounted to €55,625,093 through a public offer submitted on February 26, 2019 for the acquisition of at least 90% and up to 100% of the shares of CTDC. On 13 August 2019, the Company exercised its rights to acquire the 100% of the shares of CTDC, for an additional consideration of €1,178,195 therefore as of 31 December 2019, Vibrana owns 100% of the shares of CTDC.

VIBRANA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

12. Receivables

| | 2019 € |
|---|-------------------|
| Deferred expenses | 96 |
| Other receivables from related parties (Note 16.1) | <u>100</u> |
| | <u><u>196</u></u> |

The fair values of receivables due within one year approximate to their carrying amounts as presented above.

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

13. Cash at bank

Cash balances are analysed as follows:

| | 2019 € |
|--------------|-----------------------|
| Cash at bank | <u>404,024</u> |
| | <u><u>404,024</u></u> |

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

14. Share capital

| | 2019 Number of shares | 2019 € |
|----------------------------------|-----------------------------|----------------------|
| Authorised | | |
| Ordinary 1,000 shares of €1 each | 1,000 | 1,000 |
| 1 Preference share of €0.01 each | <u>1</u> | <u>0,01</u> |
| | <u><u>1,001</u></u> | <u><u>1,001</u></u> |
| Issued and fully paid | | |
| Ordinary 200 shares of €1 each | 200 | 200 |
| 1 Preference share of €0.01 each | <u>1</u> | <u>0,01</u> |
| Balance at 31 December | <u><u>201</u></u> | <u><u>200,01</u></u> |

On 16 October 2018, the authorized share capital of the Company was increased to 100 ordinary shares of €1 each.

On 18 April 2019, the authorized share capital of the Company was increased from 100 ordinary shares of €1 each to 200 ordinary shares of €1 each.

Issued capital

On April 18, 2019, the Company issued additional 100 ordinary shares of €1 each for the total consideration of €57,350,000 of which €57,349,900 is the share premium.

VIBRANA HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

15. Trade and other payables

| | 2019 € |
|-----------------|---------------|
| Accruals | 6,970 |
| Other creditors | <u>45,817</u> |
| | <u>52,787</u> |

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

16. Related party transactions

The Company is controlled by Prodea Investments, incorporated in Greece, which owns 90% of the Company's shares. Prodea Investments is listed on the Athens Stock Exchange. Prodea is controlled by Invel Real Estate (Netherlands) II B.V. from 23.05.2019.

The following transactions were carried out with related parties:

16.1 Other receivables

| | 2019 € |
|------------------------|------------|
| Prodea Investments S.A | 90 |
| Flowpulse Limited | <u>10</u> |
| | <u>100</u> |

17. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2019.

18. Commitments

In the context of the loan agreements signed by the Prodea Investments and Flowpulse Limited with the Bank of Cyprus Ltd. on 18 April 2019, respectively, for the acquisition of the 97,93% shares of CTDC in exchange of issue of share capital, the Company has given a corporate guarantee up to the amount of €38,400,000 for liabilities of Prodea Investments and up to the amount of €4,800,000 for liabilities of Flowpulse Limited, under the abovementioned loan agreements. In addition, as a result of these transactions the Company's assets are burdened with floating charges in favor of Bank of Cyprus Ltd for a total amount of €39,600,000. Management does not expect to incur any financial losses by these loans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2019

19. Events after the reporting period

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. With a view to contain the infection, the Government has adopted measures which gradually lead to a lock-down of businesses and activities in the country and announced measures to sustain the local economy.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's financial position. The event is not expected to have an immediate material impact on the business operations as the Company is an investment holding company.

Management will continue to monitor and assess the situation closely.

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

Independent auditor's report on pages 2 to 4