

**MHV MEDITERRANEAN HOSPITALITY
VENTURE LIMITED (previously known
as Vibrana Holdings Limited)**

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED **(previously known as Vibrana Holdings Limited)**

FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

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MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Aristotelis Karytinis
Christophoros Papachristophorou (appointed 01/04/2021)
Thanasis Karagiannis (appointed 01/04/2021)
Marios Alexandrou (appointed 01/04/2021)
Alon Bar (appointed 01/04/2021)
Spyridon Makridakis (resigned 01/04/2021)
Thiresia Messari (resigned 01/04/2021)
Androulla Papadopoulou (resigned 01/04/2021)

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 MHV Mediterranean Hospitality Venture Limited (previously known as Vibrana Holdings Limited)

Report on the financial statements

We have audited the accompanying parent company financial statements MHV Mediterranean Hospitality Venture Limited (previously known as Vibrana Holdings Limited) (the "Company"), which are presented in pages 5 to 18 and comprise the statement of financial position as at 31 December 2020, and the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year 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 MHV Mediterranean Hospitality Venture Limited (previously known as Vibrana Holdings Limited) as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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.

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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.



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.

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.



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, 5 April 2021

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

(previously known as Vibrana Holdings Limited)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €	16/10/2018- 31/12/2019 €
Administrative expenses	8	<u>(13,949)</u>	<u>(190,875)</u>
Operating loss		(13,949)	(190,875)
Net finance costs	9	<u>(2,272)</u>	<u>(4,504)</u>
Loss before tax		(16,221)	(195,379)
Tax	10	<u>-</u>	<u>-</u>
Net loss for the year/period		(16,221)	(195,379)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year/period		<u>(16,221)</u>	<u>(195,379)</u>

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

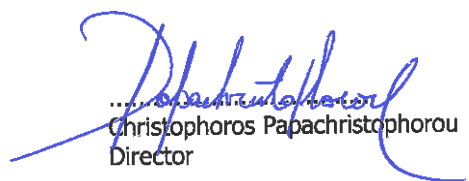
MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	Note	2020 €	2019 €
ASSETS			
Non-current assets			
Investments in subsidiaries	11	<u>56,803,288</u>	56,803,288
		<u>56,803,288</u>	56,803,288
Current assets			
Receivables	12	769	196
Cash at bank	13	<u>342,874</u>	404,024
		<u>343,643</u>	404,220
Total assets		<u><u>57,146,931</u></u>	<u>57,207,508</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	200	200
Share premium	14	57,349,900	57,349,900
Accumulated losses		<u>(211,600)</u>	<u>(195,379)</u>
Total equity		<u>57,138,500</u>	57,154,721
Current liabilities			
Trade and other payables	15	<u>8,431</u>	52,787
Total equity and liabilities		<u><u>57,146,931</u></u>	<u>57,207,508</u>

On 5 April 2021, the Board of Directors of MHV Mediterranean Hospitality Venture Limited (previously known as Vibrana Holdings Limited) authorised these financial statements for issue.


.....
Aristotelis Karytinou
Director


.....
Christophoros Papachristophorou
Director

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

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Share capital €	Share premium €	Accumulated losses €	Total €
Comprehensive loss					
Net loss for the period		-	-	(195,379)	(195,379)
Transactions with owners					
Issue of share capital	14	200	57,349,900	-	57,350,100
Balance at 31 December 2019/ 1 January 2020		200	57,349,900	(195,379)	57,154,721
Comprehensive loss					
Net loss for the year		-	-	(16,221)	(16,221)
Balance at 31 December 2020		200	57,349,900	(211,600)	57,138,500

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 the rate of 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents and domiciled. From 1 March 2019, the deemed dividend distribution is subject to a 1,70% contribution to the General Healthcare System, increased to 2,65% from 1 March 2020, with the exception of April 2020 until June 2020 when the 1,70% rate was applicable. 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.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

(previously known as Vibrana Holdings Limited)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €	16/10/2018- 31/12/2019 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(16,221)	(195,379)
Adjustments for:			
Finance costs		<u>2,272</u>	4,504
		(13,949)	(190,875)
Changes in working capital:			
Increase in receivables		(573)	(96)
(Decrease)/increase in trade and other payables		<u>(44,356)</u>	49,499
Cash used in operations		(58,878)	(141,472)
Finance costs paid		<u>(2,272)</u>	(4,504)
Net cash used in operating activities		(61,150)	(145,976)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of investments in subsidiaries	11	<u>-</u>	(18,155,215)
Net cash used in investing activities		<u>-</u>	(18,155,215)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		<u>-</u>	18,705,215
Net cash generated from financing activities		<u>-</u>	18,705,215
Net (decrease)/increase in cash and cash equivalents		(61,150)	404,024
Cash and cash equivalents at beginning of the year/period		<u>404,024</u>	-
Cash and cash equivalents at end of the year/period	13	<u>342,874</u>	<u>404,024</u>

Non-Cash transactions:

There were no non-cash transactions for the year 2020.

In 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 of acquisition of the investment in subsidiaries	(38.644.785)

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

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED **(previously known as Vibrana Holdings Limited)**

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Incorporation and principal activities

Country of incorporation

The Company MHV Mediterranean Hospitality Venture Limited (previously known as Vibrana Holdings Limited) (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.

Change of Company name

On 20 January 2021, the Company changed its name from VIBRANA HOLDINGS LTD to MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED.

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 2020 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 at 31 December 2020.

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 2020.

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 IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. 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.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

3. Adoption of new or revised standards and interpretations

During the current year 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 1 January 2020. This adoption did not have a material effect on the accounting policies of the Company.

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 currently payable and deferred tax.

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

The current income tax charge is calculated on the basis of the taxes 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 or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED **(previously known as Vibrana Holdings Limited)**

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Significant accounting policies (continued)

Tax (continued)

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 realised 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.

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

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes levied by the same 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 amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

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.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

4. Significant accounting policies (continued)

Financial assets (continued)

Trade and other receivables (continued)

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 amortised cost 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.

Trade payables

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

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED **(previously known as Vibrana Holdings Limited)**

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Significant accounting policies (continued)

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.

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.

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.

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, 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 fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's income and operating cash inflows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets and liabilities.

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.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6. Financial risk management (continued)

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. The Company's overall strategy remains unchanged from last year.

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).

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.

• **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

• **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.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

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.

8. Expenses by nature

	2020	16/10/2018- 31/12/2019
	€	€
Auditor's remuneration	5,000	4,500
Other professional fees	3,888	128,664
Irrecoverable VAT	2,361	25,206
Stamp duty fees	-	22,034
Sundry expenses	-	5,265
Other expenses	2,700	5,206
Total expenses	13,949	190,875

9. Finance costs

	2020	16/10/2018- 31/12/2019
	€	€
Sundry finance expenses	2,272	4,504
Finance costs	2,272	4,504

10. Tax

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

	2020	16/10/2018- 31/12/2019
	€	€
Loss before tax	(16,221)	(195,379)
Tax calculated at the applicable tax rates	(2,028)	(24,422)
Tax effect of expenses not deductible for tax purposes	357	23,672
Tax effect of tax loss for the year/period	1,671	750
Tax charge	-	-

The corporation tax rate is 12,5%.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

10. Tax (continued)

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

	2020	2019
	€	€
Balance at 1 January/16 October	56,803,288	-
Additions	-	56,803,288
Balance at 31 December	56,803,288	56,803,288

The details of the subsidiaries are as follows:

Name	Country of incorporation	2020	2019	2020	2019
		Holding %	Holding %	€	€
The Cyprus Tourism Development Company Limited ("CTDC")	Cyprus	100	100	56,803,288	56,803,288
				56,803,288	56,803,288

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 and 31 December 2020, the Company owns 100% of the shares of CTDC.

The transaction occurred via the parent entities of the Company, Prodea Investments and Flowpulse Limited, who then contributed their shares in CTDC to the Company in exchange for share capital.

12. Receivables

	2020	2019
	€	€
Receivables from related parties (Note 16.1)	100	100
Deferred expenses	669	96
	769	196

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.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

13. Cash at bank

Cash balances are analysed as follows:

	2020	2019
	€	€
Cash at bank	<u>342,874</u>	404,024
	<u><u>342,874</u></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

	2020 Number of shares	2020 €	2019 Number of shares	2019 €
Authorised				
Ordinary 1,000 shares of €1 each	1,000	1,000	1,000	1,000
1 Preference share of €0.01 each	<u>1</u>	<u>0.01</u>	<u>1</u>	<u>0.01</u>
	<u><u>1,001</u></u>	<u><u>1,000.01</u></u>	<u><u>1,001</u></u>	<u><u>1,000.01</u></u>
Issued and fully paid				
Ordinary 200 shares of €1 each	200	200	200	200
1 Preference share of €0.01 each	<u>1</u>	<u>0.01</u>	<u>1</u>	<u>0.01</u>
Balance at 31 December	<u><u>201</u></u>	<u><u>200.01</u></u>	<u><u>201</u></u>	<u><u>200.01</u></u>

Authorised capital

On 16 October 2018, the authorized share of the Company was €1,000 divided to 1,000 ordinary shares of €1 each.

On 18 April 2019, the authorized share capital of the Company was increased to 1,000,01 divided to 1,000 ordinary shares of €1 each and 1 preference share of €0,01.

Issued capital

On 18 April 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. On 18 April 18 2019, the Company issued 1 redeemable share of €0,01 for the total consideration of €0,01.

15. Trade and other payables

	2020	2019
	€	€
Accruals	5,902	6,970
Other creditors	<u>2,529</u>	45,817
	<u><u>8,431</u></u>	<u><u>52,787</u></u>

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 May 23, 2019.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16. Related party transactions (continued)

On 30 December 2020 Prodea Investments has signed a sale and purchase agreement for the transfer of 41% of Prodea's interest in MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED (previously known as Vibrana Holdings Limited) to a company belonging to the Cypriot group of companies "YODA Group" (the Transaction). During 2021 the parties further agreed the transfer of an additional 4% of ownership interest. The transaction was completed on 1 April 2021.

The following transactions were carried out with related parties:

16.1 Receivables from related parties (Note 12)

Name	2020	2019
	€	€
Prodea Investments S.A.	90	90
Flowpulse Limited	10	10
	<u>100</u>	<u>100</u>

17. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2020 and 31 December 2019.

18. Commitments

In the context of the loan agreements signed by Prodea Investments and Flowpulse Limited with the Bank of Cyprus Ltd on 18 April 2019, respectively, for the acquisition of 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 above mentioned 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.

In addition to the corporate guarantees and floating charges on Company's assets, all of Company's shares in CTDC were pledged in favour of Bank of Cyprus as a result of the loan agreements signed.

Under the terms of the above loan agreements, Prodea Investments and Flowpulse Limited are required to comply with certain financial covenants. Throughout the year ended 31 December 2020 Prodea Investments and Flowpulse Limited have complied with all financial covenants with the exception of two covenants relating to the performance of CTDC for which the Bank of Cyprus has granted them with a waiver letter. During the year ended 31 December 2019 Prodea Investments and Flowpulse Limited have complied with all financial covenants set by the loan agreements signed with Bank of Cyprus.

19. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements, with the exception of the change of name of the Company from VIBRANA HOLDINGS LTD to MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED on 20 January 2021.

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