

**ADMISSION DOCUMENT
(ANNEX 9)**

YODA PLC



YODA PLC

**APPLICATION FOR THE ADMISSION OF SHARES TO THE
NON-REGULATED MARKET OF THE CYPRUS STOCK
EXCHANGE ("CSE") - EMERGING COMPANIES MARKET
("ECM")**

WARNING: This document is NOT A PUBLIC OFFER and is not intended to raise capital. The securities of the companies in the ECM are not listed in the regulated markets of the CSE. The Admission Document and the application for admission of the Company's shares apply to the unregulated Emerging Companies Market of the CSE which is considered as Multilateral Trading Facility ("MTF"). The information that is published at the time of listing and after is less than the information published in regulated markets. Potential investors should be aware of the risks on investment in these companies and should decide to invest in them only after careful consideration of this Admission Document and, if possible, independent financial advice should be taken.

NOMINATED ADVISOR
CISCO 

The Cyprus Investment and Securities Corporation Limited (CISCO)

The date of this Admission Document is 21 December 2022.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR ATTENTION. If you need any explanations and/or clarifications on this Admission Document you should consult an independent financial advisor who holds a license to provide investment advice by the Cyprus Securities and Exchange Commission if you're taking advice in Cyprus (or other suitably qualified independent financial advisor if you are outside Cyprus).

The investment in shares of YODA PLC is suitable only for:

(i) professional investors;

(ii) persons who have the appropriate financial knowledge,

and, for both (i) and (ii), who have received the appropriate professional financial advice, who are able of taking the risks of their investment in the Company and have the appropriate resources to bear any losses that may arise from their investment. **More specifically, for some important factors to be considered in relation to the securities of the Company, refer to Section 7 – "Risk Factors".**

This document is an information document which has been prepared pursuant to the provisions of the Regulatory Decisions of the Council of the CSE on the Stock Exchange Markets and the relevant Annexes for the admission of companies on the Emerging Companies Market and it is not a prospectus according to the Public Offer and Prospectus Law of 2005, L.114 (I)/2005 (as amended). Therefore, **the Cyprus Securities and Exchange Commission has not examined or approved the contents of this Admission Document.**

YODA PLC undertakes full responsibility for the information contained in this Admission Document and certifies that the information contained therein is consistent in all material respects with the facts and contains no omission likely to materially affect its contents. The Directors of YODA PLC, each of whom has taken all reasonable care to ensure that such is the case, collectively and individually accept full responsibility for the accuracy and correctness of the information and data contained in this Admission Document in all material respects and, to the best of their knowledge, ensure that there are no other essential facts, the omission of which would make any material statement contained in this document misleading in any material respect.

**YODA PLC (the "COMPANY", the "ISSUER")
ADMISSION DOCUMENT**

APPLICATION FOR THE ADMISSION OF 384.804.792 SHARES OF NOMINAL VALUE
€0,50 EACH ON THE NON-REGULATED MARKET OF THE CSE (ECM) THROUGH THE
PLACING OF SECURITIES WHICH HAVE ALREADY BEEN ISSUED

Throughout the course of processing the application for admission of the shares of YODA PLC to the CSE, the Nominated Advisor is The Cyprus Investment and Securities Corporation Limited (CISCO). CISCO is regulated by the Cyprus Securities and Exchange Commission and is properly licensed by the CSE and its role is to assist a non-regulated market issuer to meet its obligations under the institutional framework governing the operation and participation in an unregulated market. Hence CISCO, as the Nominated Advisor, is solely liable to the Company and the Cyprus Stock Exchange.

This is not a private placement and the Admission Document is addressed only to persons to whom the Admission Document may be lawfully distributed to. Specifically, and in compliance with relevant securities laws of the following countries, the Admission Document is not addressed in any way or form (written or otherwise), directly or indirectly, to or within the United States, Canada, Australia, South Africa or Japan or any other country (the "**Excluded Territories**"), in which according to its laws, the mailing/distribution of this Admission Document is illegal or violates any law, rule or regulation. For this reason, it is prohibited to transmit, distribute, post or otherwise promote copies of this Admission Document and any promotional material and any material related to this Admission Document or other material of any person to or from the Excluded Territories and buy shares from persons of the Excluded Territories.

Copies of this Admission Document will be available free to the public during normal business hours (from 9:00 to 17:00) at the offices of the Company, at 48 Themistokli Dervi, Athienitis

Centennial Building, Floor 7, Flat/Office 703, 1066 Nicosia, Cyprus for a period of one month from the date of issue of the Admission Document.

FORWARD LOOKING STATEMENTS

This Admission Document includes statements that are or may constitute "forward-looking statements". These statements relate to, among other things, statements regarding the Company's and/or the portfolio companies' or the management team's expectations, hopes, beliefs, intentions, plans or strategies regarding the future prospects. The words "anticipate", "believe", "continue", "could", "estimate", "expect", "intends", "may", "might", "plan", "possible", "potential", "predict", "project", "should", "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Admission Document may include, among others, statements about the Company's:

- ability to select an appropriate target business or assets;
- expectations around the performance of a prospective target business or businesses, investment, market or assets;
- success in retaining or recruiting, or changes required in, officers, key employees, or directors;
- officers and directors allocating their time to other businesses and potentially having conflicts of interest with the Company's business;
- potential ability to obtain additional financing to complete the Company's objectives;
- pool of prospective target businesses and assets;
- ability to consummate transactions;
- officers' and directors' ability to generate a number of potential investments transactions;
- public securities' potential liquidity and trading;
- securities lack of a market; or
- financial performance following the listing.

The forward-looking statements contained in this Admission Document are based on the current expectations and beliefs concerning future developments and their potential effects on the Company. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under Section 7 – "*Risk Factors*". The factors should not be construed as exhaustive and should be read with other cautionary statements in this Admission Document. Should one or more of these risks or uncertainties materialize or should any of the assumptions prove incorrect, the actual results may vary in material respects from those projected in these forward-looking statements. All forward looking statements are based on judgements derived from the information available to the Company as at the date of this Admission Document. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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DEFINITIONS

The following definitions are applicable throughout the Admission Document unless expressed otherwise:

€	:	means the Euro
\$:	means the United States Dollar
bn	:	means billion
m	:	means million
ACA	:	means the U.S. Federal Physician Payments Sunshine Act, created under Section 6002 of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act
Affiliate	:	means any person, other than the Company, that Controls, is Controlled by, or is under common Control with a party
Board, Board of Directors, Directors	:	means the Board of Directors of the Company
Bribery Act	:	means the United Kingdom Bribery Act of 2010
CEE	:	means the Central and Eastern European region
cGMP	:	means the current Good Manufacturing Practice
Company, Issuer	:	means YODA PLC (formerly known as Papaduck Investments Limited), a public limited liability company, incorporated and existing under the laws of the Republic of Cyprus, with registration number HE 398572, and with its registered office at 48 Themistokli Dervi, Athienitis Centennial Building, Floor 7, Flat/Office 703, 1066 Nicosia, Cyprus
Control	:	means, in relation to any person (being, for the purposes of this definition, the " Controlled Person "), being: (a) entitled to exercise, or control the exercise of (directly or indirectly) more than 50,0% of the voting power at any general meeting of the shareholders, members or partners or other equity holders (and including, in the case of a limited partnership, of the limited partners thereof) in respect of all or substantially all matters falling to be decided by resolution or meeting of such persons; or (b) entitled to appoint or remove: (i) directors on the Controlled Person's board of directors or its other governing body (or, in the case of a limited partnership, of the board or other governing body of its general partner) who are able (in the aggregate) to exercise more than 50,0% of the voting power at meetings of that board or governing body in respect of all or substantially all matters; and/or (ii) the managing director or (if there is more than one) the majority of the managing directors of such Controlled Person; (iii) in the case of a limited partnership its general partner; or (c) entitled to exercise a dominant influence over the Controlled Person (otherwise than solely as a fiduciary) by virtue of the provisions contained in a written agreement, its constitutional documents or, in the case of a trust, trust deed or pursuant to an

		<p>agreement with other shareholders, partners or members of the Controlled Person;</p> <p>and Controller, Controlled, and Controlling, shall be construed accordingly.</p> <p>For the avoidance of doubt, a change of professional trustees, or protectors and similar positions in a trust shall not be considered a change of Control for the purposes hereof, so long as the settlor and beneficiaries remain the same before and after the change.</p>
CSE	:	means the Cyprus Stock Exchange
ECM	:	means the Emerging Companies Market, which is the non-regulated Multilateral Trading Facility of the Cyprus Stock Exchange
EMA	:	means the European Medicines Agency
EU	:	means the European Union
FCPA	:	means the U.S. Foreign Corrupt Practices Act of 1977, as amended
FDA	:	means the U.S. Food and Drug Administration
Founder	:	means Mr. Ioannis Papalekas
Founder Company	:	Yoda Holdings Limited, registered with the Department of Registrar of Companies and Intellectual Property in Cyprus with registration number HE416571
GDP	:	means the Gross Domestic Product
GDPR	:	means the General Data Protection Regulation
GHS	:	means the General Healthcare System of Cyprus
HIPAA	:	means the U.S. Federal Health Insurance Portability and Accountability Act of 1996
HITECH	:	means HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009
IFRS	:	means the International Financial Reporting Standards
IPO	:	means initial public offering
NAV	:	means net asset value
NAVPS	:	means net asset value per share
Nominated Advisor	:	means The Cyprus Investment and Securities Corporation Limited (CISCO), a limited liability company, incorporated and existing under the laws of the Republic of Cyprus with registration number HE18558, and authorised as a Cyprus Investment Firm with license number 003/03, registered with the CSE as a Nominated Advisor
portfolio companies	:	means the entities in the Company's portfolio from time to time
SAFE	:	means Simple Agreement for Future Equity
SEE	:	means the South-East European region
Shares, ordinary shares	:	means the ordinary shares of the Company, listed on the ECM of the CSE
UK	:	means the United Kingdom
U.S., U.S.A., United States	:	means the United States of America
USPTO	:	means the United States Patent and Trademark Office

1. BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS

BOARD OF DIRECTORS	Alon Bar – Chief Executive Officer and Interim Chief Investment Officer, Non-Independent Marios Alexandrou – Head of Operations and Compliance, Non-Independent Achilleas Dorotheou – Head of Hospitality and Development, Non-Independent (appointed on 26/10/2022) Stavros Ioannou – Interim Chief Financial Officer and Financial Director, Non-Independent (appointed on 26/10/2022)
NOMINATED ADVISOR	The Cyprus Investment and Securities Corporation Limited (CISCO) 1 Agiou Prokopiou and Posidonos, 1 st Floor, 2406 Engomi, Nicosia, Cyprus
AUDITORS	Ernst & Young Cyprus Limited (EY) Jean Nouvel Tower, 6 Stasinou Avenue, 1060 Nicosia, Cyprus
LEGAL ADVISORS	Chryssafinis & Polyviou LLC 37 Metochiou Street, Agios Andreas, 1101 Nicosia, Cyprus
BANKERS	Bank Julius Baer & Co. Ltd Rue Pierre-Fatio 7, CH-1211 Geneva, Switzerland UBS Switzerland AG Postfach 8098, Zurich, Switzerland CBH Compagnie Bancaire Helvetique Boulevard Emile-Jaques-Dalcroze 7, CH-1211 Geneva, Switzerland Eurobank Cyprus Ltd 41 Arch. Makarios III Avenue, 1065 Nicosia, Cyprus
SECRETARY	Marios Alexandrou 19 Ippokratous, Farao Elena No.17 Building, Apt. 302, 2006 Acropolis, Nicosia, Cyprus
REGISTERED OFFICE	48 Themistokli Dervi, Athienitis Centennial Building, Floor 7, Flat/Office 703, 1066 Nicosia, Cyprus
COMPANY DETAILS	
CONTACT ADDRESS	48 Themistokli Dervi, Athienitis Centennial Building, Floor 7, Flat/Office 703, 1066 Nicosia, Cyprus
PHONE	22 570380
FAX	22 570388
EMAIL ADDRESS	info@yoda.com.cy
WEBSITE	www.yoda.com.cy
REGISTRATION NUMBER	HE 398572
DATE OF INCORPORATION	5 June 2019
LEGAL ENTITY IDENTIFIER (LEI)	254900LJYFGZDQF1ZK25

The professional address of the Members of the Board of Directors of the Company is 48 Themistokli Dervi, Athienitis Centennial Building, Floor 7, Flat/Office 703, 1066 Nicosia, Cyprus.

2. KEY SHARE CAPITAL INFORMATION

Authorized share capital (number of shares and €)	€1.250.000.000 divided into 2.500.000.000 ordinary shares of nominal value €0,50 each
Issued share capital before the issue (number of shares and €)	€192.402.396 divided into 384.804.792 issued and fully paid ordinary shares of nominal value €0,50 each
<i>Issue of new shares</i>	
Private Placement	Not applicable
IPO	Not applicable
Total new shares ¹	Not applicable
<i>Bond Issue</i>	
Private Placement	Not applicable
IPO	Not applicable
Total Bonds	Not applicable
<i>Sale of existing shares (if applicable)</i>	
Private Placement	Not applicable
IPO	Not applicable
<i>Sale of Existing Bonds (if applicable)</i>	
Private Placement	Not applicable
IPO	Not applicable
Total Shares	384.804.792 ordinary shares
Nominal value of shares	€0,50
Offer Price to the public	Not applicable
Funds Raised	Not applicable
Initial admission/ trading price*	€0,50
Market Capitalization based on the initial admission/ trading price	€192.402.396
Dividend	The Board of Directors of the Company has recommended the payment of dividends in 2022 in the form of scrip dividend for the amount of €40.000.000. The dividends will be paid out of the retained earnings of 2021 and the profits of 2022.

*The initial admission/ trading price has been set as the nominal value of the ordinary shares.

Notes:

1. The Company will not proceed with the issue of new shares, either via a private placement or via an Initial Public Offering ("**IPO**"). It is noted that only the existing issued ordinary shares of the Company will be admitted for trading on the ECM Market of the CSE via the current Admission Document.
2. No shares or bonds will be issued either via a private placement or via an IPO.
3. The Issuer will not list any derivatives of shares.
4. The Company will examine the adoption and implementation of a performance incentive scheme for the members of the management team and/or the employees of the Company. For more details, please refer to Section 4.11.4. – "*Management team performance incentive scheme*".
5. The Company will not proceed with an IPO.
6. The Company will not proceed with an issue of shares or bonds, therefore there will be no case of over-subscription.

3. ADMISSION PRICE AND COMPANY VALUATION**3.1 ADMISSION PRICE**

The Board of Directors of the Company decided unanimously to use as initial admission/ trading price the nominal value of the shares, at €0,50 per share, without any adjustments or premiums, on the basis that the Company commenced its operations in mid-2019 and it is at the growth stage of its lifecycle.

3.2 NET ASSET VALUE

	31 October 2022 (consolidated adjusted)¹	30 June 2022	31 December 2021	31 December 2020
Book value/ Net Asset Value (" NAV ")	€236.395.314	€108.265.792	€86.163.936	€17.656.660
Profit/(loss) before tax	€35.895.205	€3.177.246	(€692.384)	€6.502.728
Profit/(loss) after tax	€35.820.815	€3.101.856	(€857.265)	€6.477.934
Book value per share/ Net asset value per share (" NAVPS ")	€0,614	€0,825 ²	€6.566,873 ²	€1.602,092 ²
Profit/(loss) before tax per share	€0,093	€0,024 ³	(€52,769) ³	€590,031 ³
Profit/(loss) after tax per share	€0,093	€0,024 ⁴	(€65,335) ⁴	€587,781 ⁴
Issue Price to Book value per share (P / BV) ⁵	Not applicable	Not applicable	Not applicable	Not applicable
Issue Price to earnings per share (P / E) ⁵	Not applicable	Not applicable	Not applicable	Not applicable
Estimated Range of Issue Price ⁵	Not applicable	Not applicable	Not applicable	Not applicable
Issue Price to the public ⁵	Not applicable	Not applicable	Not applicable	Not applicable

Notes:

1. The adjusted book value per share as at 31 October 2022, rounded up to the nearest third decimal, is based on the consolidated adjusted management accounts of the Company as of that date and has been derived by dividing the adjusted total equity as at 31 October 2022 (i.e., €236.395.314), by the total number of issued ordinary shares as at the date of this Admission Document, i.e., 384.804.792 shares.

Similarly, the adjusted profit before and after tax have been derived by dividing the consolidated adjusted profit before and after tax as at 31 October 2022 (€35.896.205 and €35.820.815 respectively) by the number of ordinary shares in issue as at the date of this Admission Document, i.e., 384.804.792 shares, which includes all the issues of ordinary shares performed up to the date of this Admission Document. For more details, please refer to Section 4.10.2. – "Issued Share Capital" and Section 6.4. – "Adjusted Financial Position". The resulting amounts have been rounded up or down (as the case may be) to the nearest third decimal.

It is noted that the consolidated adjusted figures presented in the above table are based on the consolidated adjusted statement of financial position (for more details, please refer to Section 6.4. – "Adjusted Financial Position") and the consolidated adjusted statement of comprehensive income, which have been prepared based on readily available information at the time of preparation, as seen by the management on a monthly basis.

2. The book value per share is based on the interim condensed financial statements of the Company for the six-month period ended 30 June 2022 and the audited financial statements of the Company for the years ended 31 December 2021 and 31 December 2020. The book value per share as at 30 June 2022, 31 December 2021 and 31 December 2020 has been derived by dividing the total equity (30/06/2022: €108.265.792, 31/12/2021: €86.163.936, 31/12/2020: €17.656.660), by the total number of shares in issue as at these dates (30/06/2022: 131.208.020, 31/12/2021: 13.121, 31/12/2020: 11.021). The resulting amounts have been rounded up or down (as the case may be) to the nearest third decimal.
3. The profit/(loss) before tax for the six-months period ended 30 June 2022 and the financial years ended 31 December 2021 and 31 December 2020 (30/06/2022: €3.177.246, 31/12/2021: (€692.384), 31/12/2020: €6.502.728) divided by the total number of shares in issue as at these dates (30/06/2022: 131.208.020, 31/12/2021: 13.121, 31/12/2020: 11.021). The resulting amounts have been rounded up or down (as the case may be) to the nearest third decimal.
4. The profit/(loss) after tax attributable to the shareholders of the Company for the six-months period ended 30 June 2022 and the financial years ended 31 December 2021 and 31 December 2020 (30/06/2022: €3.101.856, 31/12/2021: (€857.265), 31/12/2020: €6.477.934) divided by the total number of shares in issue as at these dates (30/06/2022: 131.208.020, 31/12/2021: 13.121, 31/12/2020: 11.021). The resulting amounts have been rounded up or down (as the case may be) to the nearest third decimal.
5. The Company will not proceed with an issue of new shares either via a private placement or via an IPO, and therefore the notion of issue price is not applicable in this case.

4. INFORMATION ABOUT THE ISSUER

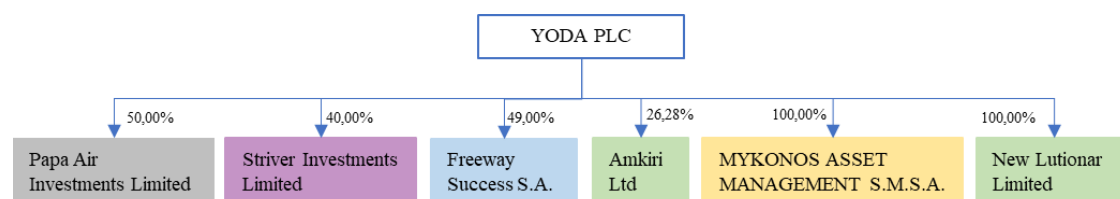
4.1. HISTORY OF YODA PLC

YODA PLC was incorporated in Cyprus on 5 June 2019 under the name "PAPADUCK INVESTMENTS LIMITED" as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company was converted into a public limited liability company by a resolution of its shareholders dated 29 September 2022 and changed its name from Papaduck Investments Limited to YODA PLC on 29 September 2022, by means of the same shareholders' resolution. The Company's registered office is at 48 Themistokli Dervi, Athienitis Centennial Building, Floor 7, Flat/Office 703, 1066 Nicosia, Cyprus.

On 24 October 2022 at a meeting of the Board of Directors, the Directors of the Company decided to list the ordinary shares of the Company on the ECM of the CSE.

4.2. GROUP STRUCTURE

The Company is the parent company of the Group. The below diagram and table present the subsidiary companies, as well as investments in associates and joint ventures of YODA PLC, in which the Company has direct or indirect participation, as at the date of this Admission Document:



Name	Country of incorporation/activities	Activities	Status	Percentage holding (%)
Papa Air Investments Limited	Cyprus	Aviation	Joint venture	50,00%
MYKONOS ASSET MANAGEMENT S.M.S.A.	Greece	Real estate	Subsidiary	100,00%
New Lutionar Limited	Cyprus	Holding of investments	Subsidiary	100,00%
Freeway Success S.A.	Panama	Holding of investments in shipping	Associate	49,00%
Striver Investments Limited	British Virgin Islands	Holding of investments	Associate	40,00%
Amkiri Ltd	Israel	Investing in technology	Associate	26,28%

It is noted that on 21 October 2022 the Board of Directors of the Company approved the acquisition of Wilkins Services Limited, which will become a wholly owned subsidiary of the group upon the completion of the transaction. For more details, please refer to Section 6.3– "Prospects".

The voting rights for all subsidiary companies, as well as for investments in associates and joint ventures are the same as their holding.

4.3. BUSINESS ACTIVITIES/ OPERATIONS

During its first years of operations the Company invested in companies and investment opportunities in various sectors mainly in real estate, technology and telecommunications, shipping and healthcare, through different financing structures and vehicles.

Investments in Real Estate Sector

The Company has invested in real estate projects through various listed and private companies by acquiring equity stakes in their capital structure or by providing financing mainly through convertible loans. As an example, the Company invested in a Company owning real estate in Greece and various other companies owning real estate across other Central European countries.

Investments in Technology and Telecommunications Sector

The Company has built up a portfolio of technology companies comprising, among others, of start-up companies that are unique leaders in their selected areas of health and wellness. To date, the Company in this field has worked with start-ups across different focus areas of health and wellness. The Company looks for companies with a competitive advantage that can disrupt the health and wellness market and/or introduce entirely new product areas. The Company has also invested in venture capital funds which are investing exclusively in gaming, leveraging on the deep

understanding and experience of the founders and supporting companies as they grow. The Company's investments in technology are made through a number of different structures including such forms of financing as convertible loans, equity, participation in seed preferred series and participation in various Simple Agreements for Future Equity ("**SAFE**") or through subscriptions in various funds that focus on technology investments.

Investments in Shipping Industry

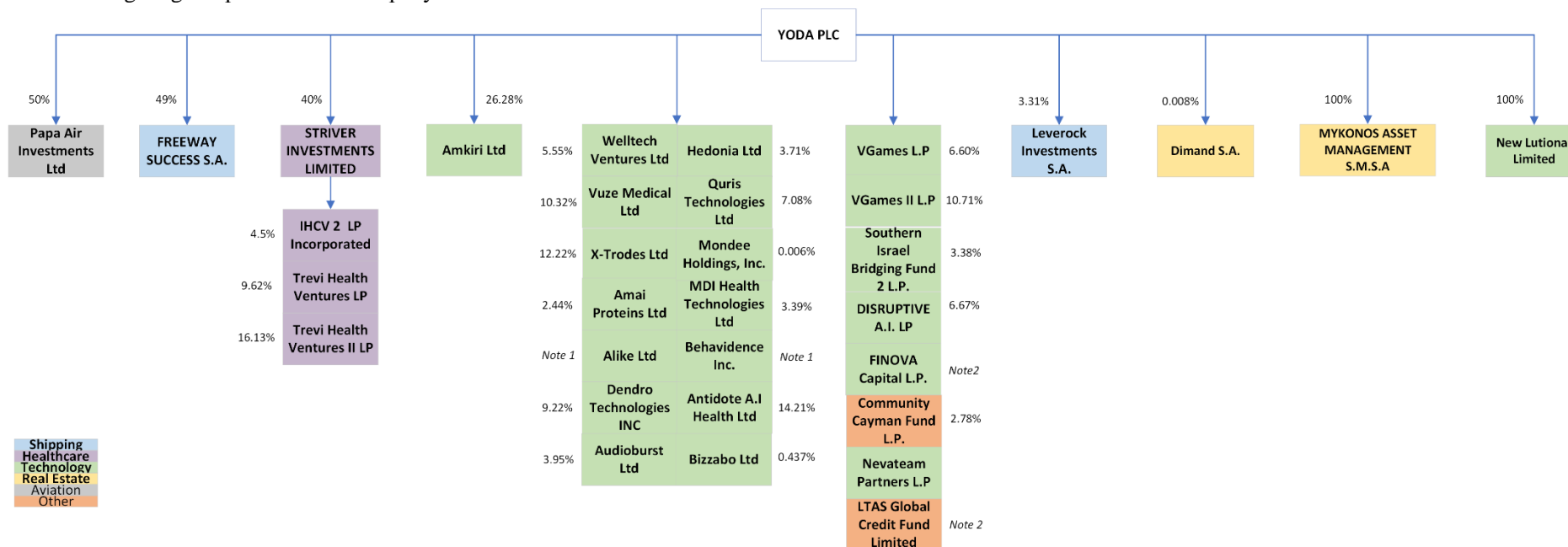
Since its incorporation, the Company has invested in the shipping industry by participating in the capital structure of three established groups of companies engaged in the ownership and operation of vessels. In addition, the Company has provided financing to fund the operations and asset acquisitions of ship owning companies. Currently, the Company participates in the capital structure of one group and through its participation in the aforesaid structure, the Company has invested in 8 operating vessels, most of which are bulk carriers.

Investments in Healthcare Sector

With regards to investments in the healthcare sector, the Company holds investments in funds managed by a US private equity firm that provides healthcare-focused asset management globally with a focus in investments in companies which are at the growth stage of their lifecycle, as well as, middle-market healthcare companies with a preference for healthcare information technology, healthcare services and medical technology companies. With a strategy focused on healthcare, the private equity firm offers its portfolio companies sectoral and operational experience, an understanding of where to source investment, recruitment, operational best practices and help companies position themselves in capital markets for liquidity events.

4.4. COMPANY'S INVESTMENT STRUCTURE

The following diagram presents the Company's investment structure as of the date of this Admission Document:



*Note 1: The investments represent SAFE and the future equity holding percentage is variable as these instruments give the investor the right to receive equity of the company on certain triggering events.

Note 2: The investments are in open-ended funds and the Company's holding cannot be estimated with accuracy.

4.5. MAJOR CONTRACTS

Since its incorporation the Company has entered into various equity investment agreements and short-term and long-term contracts for the provision of financing to third parties. The following is a summary of the major contracts that constitute an important part of the Company's revenue.

Contracts relating to the real estate sector

- During 2021, the Company invested in the real estate sector as follows:
 - The Company entered into a convertible facility agreement with the holding company of one of the leading Polish developers for the provision of a loan for the amount of €20.279.375, payable by the Company in three unequal instalments. As at the date of this document, the Company has granted the two of the three instalments for the amount of €18.167.625 (or c.89,6% of the agreed facility amount), while the third instalment is not expected to be granted. The loan was repayable in November 2022 and its maturity is being extended to January 2023. The interest rate of the loan was 15,0% per annum for a period of 12 months from the day the first instalment was granted and decreased to 10,0% thereafter until October 2022. From November 2022 until January 2023 the interest rate is 20,0% per annum. The Company had the conversion right into shares of the aforesaid holding company which will be extended to January 2023.
 - The Company entered into a convertible loan agreement with a third party for the provision of €3.000.000 financing to be injected as equity by the borrower into a project company. The financing is used for the funding of the purchase of a parcel of land by the project company, for the commencement of development in Romania. During 2022, the loan amount increased to €3.500.000. The loan bears interest at 10,0% per annum, is repayable in August 2026 and the Company can at any time require conversion. More, specifically, at any time during the conversion period, the Company may at its discretion require the conversion of the outstanding loan amount into shares of the project company held by the borrower or alternatively into shares of the borrower.

Contracts relating to the technology and telecommunications sector

- The Company invested in various technology and telecommunications companies through Simple Agreements for Future Equity (SAFEs), sale and purchase agreements mainly for participation in seed preferred series and subscribed to various technology and telecommunications focused investment funds.

Contracts relating to the shipping industry

- The Company's participation in the shipping industry was established mainly through the agreements described below, through which the Company has currently investment in 8 operating vessels through Freeway Success S.A.:
 - During 2019, the Company entered into a sale and purchase agreement for the acquisition of 49 common registered shares of nominal value \$100 each in Freeway Success S.A., representing 49% of the share capital. The consideration for the acquisition of the shares was set at \$13.000.000 (equivalent to €11.714.200) and was fully paid in 2019. During 2020, Freeway Success S.A. increased its equity share capital by \$6.300.000 and the Company made a capital contribution in the amount of \$3.087.000 (equivalent to €2.716.500) corresponding to its shareholding, which was fully paid in 2020.
 - During 2020, the Company entered into a contribution agreement with Mr. Ioannis Papalekas (the "**Founder**"), by which he contributed to the Company 250 common registered shares in Sea Velvet Holding S.A. representing 50% of the said company's issued share capital in exchange for the issue of 20 shares in the Company and on the same date the Company proceeded with the contribution of the amount of \$12.648.690,50 to Sea Velvet Holding S.A.. At a later date in 2020 the Company issued to the shareholder 1 ordinary share at a premium of \$9.481.250, as additional

consideration. During 2020 and 2021, the Company made additional contributions to Sea Velvet Holding S.A. of \$10.617.000. On 21 October 2022, due to volatility in the shipping industry the Board of Directors decided the sale of the investment to Papaseas Maritime Limited for €73.000.000. The consideration offered and agreed between the buyer and the seller was more than the cost of the investment and the previously reported NAV of Sea Velvet Holdings S.A.. Given the market conditions, the timing of the disposal and exit of the investment contributed to the profitability of Company. The sale was completed on 1 November 2022 and the Company received €8.000.000 out of the total sale proceeds up to the date of this Admission Document. The remaining amount receivable will be received in 2023 as per the terms of the sale agreement. For more details, please refer to Section 6.3.1 – "*Transactions completed during the second half of 2022*".

- During 2020 and 2021, the Company entered into convertible loan agreements for the provision of convertible loans to Ocean Shipping Holding S.A. for the total amount of \$3.800.000 at an interest rate of 1,5% per annum. On 21 October 2022 the loans were assigned to Papaseas Maritime Limited at their carrying value for the consideration amount of €3.982.100, which was received during November 2022. For more details, please refer to Section 6.3.1– "*Transactions completed during the second half of 2022*".

Other contracts

- In July 2020, the Company entered into a facility agreement with a third party for the provision of a loan, the current balance of which is €11.693.520 bearing an effective interest rate of 2,0% per annum. The loan is payable by July 2023.
- In July 2021, the Company entered into a profit participating convertible facility agreement for the provision of a loan for the total amount of €9.173.119, payable to the third party in three parts. The loan bears an interest rate of 3,0% per annum and is repayable in June 2028. As at the date of this document, the Company has granted two of the three instalments for the amount of €6.648.994.

4.6. FUNDING CONTRACTS

On 13 January 2021, the Company entered into an agreement with the Founder and a third party acting as investors, according to which the parties wished to cooperate and invest in various sectors in order to promote the business of the Company. According to the agreement, the third party wished to perform a contribution to the Company in the form of an uncommitted loan facility for the amount of €50.000.000. According to the amended and restated agreement concluded on 6 April 2021, the investors would perform a contribution of up to €100.000.000 each to the Company in the form of an uncommitted loan facility or otherwise. Until October 2022 the Company has utilised an amount of €95.030.000 from this facility. The loan bore interest at 0,01% per annum with a convertible option into the Company's shares. The loan was terminated and replaced on 20 October 2022 with a settlement and repayment agreement between the parties which specifies the repayment plan for the above-mentioned loan with an initial payment date specified in the agreement on 15 October 2023. The parties have further agreed that due to the termination of the previous agreement and the facility in such short term, the Company shall pay to the third party investor €2,0 million market rate interest payable by 15 October 2023.

Under the amended and restated agreement, the investors were able to convert debt into 50,0% of the ordinary shares in the Company and the parties have decided to terminate the share option conversion of the third party investor into shares in the Company. The parties agreed that as of 20 October 2022 this share option shall be terminated and cancelled in full, in return for the amount of €13.000.000 payable by the Company to the third party investor by 15 October 2023, as compensation for the termination of the share option. An amount of €3.000.000 was already settled by the Company up to the date of the Admission Document.

The aforesaid loan, together with the subscriptions from the Founder (as described in more detail in Section 4.10.2. – "*Issued Share Capital*") for equity in the Company, facilitated the funding of the various investments the Company made during the last two years.

4.7. LEGAL OR ARBITRATION PROCEEDINGS OR INTERRUPTIONS IN THE ISSUER'S BUSINESS

The Company has not been involved in any material legal or arbitration proceedings during the 12 months preceding the date of this Admission Document which may have or have had in the recent past significant effects in the financial position or profitability of the Issuer.

4.8. BOARD OF DIRECTORS AND OTHER RELATED INFORMATION

<p>Alon Bar Chief Executive Officer and Interim Chief Investment Officer, Non- Independent</p>	<p>Mr. Alon Bar was born in Israel on 1 May 1980. Mr. Bar holds a BA in Computer Science (Cum Laude) from the Interdisciplinary Center (IDC) Israel with a major in Entrepreneurship (Sam Zell Program). He also earned a joint Executive MBA from The Kellogg School of Management at Northwestern University and Tel Aviv University. Mr. Bar also completed INSEAD's Advanced Management Program (AMP).</p> <p>Mr. Bar has 16 years of experience in the financial services and real estate investment industries. He has solid work experience in corporate finance, structuring and capital markets and has held executive positions in family offices and private equity funds. Mr. Bar is the Chief Executive Officer and the Interim Chief Financial Officer of YODA PLC.</p>
<p>Marios Alexandrou Head of Operations and Compliance, Non-Independent</p>	<p>Mr. Marios P. Alexandrou was born in Nicosia on 26 December 1977. He holds a BSc (hons) degree in Economics and Accounting from the University of Hull, U.K. Mr. Alexandrou is also a qualified Chartered Accountant (ACA) and full member of the Institute of Chartered Accountants in England and Wales (ICAEW).</p> <p>For a period of six years, he worked for Deloitte & Touche Ltd in various positions in the Audit and Assurance Department. Since 2008, Mr. Alexandrou works with IQEQ Cyprus Ltd and he currently holds the position of the Client Service Director.</p>
<p>Achilleas Dorotheou Head of Hospitality and Development, Non-Independent (appointed on 26/10/2022)</p>	<p>Mr. Achilleas Dorotheou was born in Limassol on 11 May 1965. He is a graduate of Hotel Institute Montreux, a holder of master's degree in Hospitality Management from Birmingham University and a Master's in Business Administration from IMD Business School, the University of Lausanne. Mr. Dorotheou recently attended the Cornell University a professional development program (Spring 2020) for digital transformation and leadership, and he holds the professional certification of Certified Hotel Administrator from the American Hotel and Lodging Association.</p> <p>Mr. Dorotheou brings a strong track record of a30-year career in the hospitality industry holding executive General Director and board member positions in Cyprus, Greece, Switzerland and Germany. Previously, he held General Manager and Chief Executive Officer positions in luxury hotel organizations such as Amathus Hotels, Ikos Resorts and Costa Navarino resort.</p>
<p>Stavros Ioannou Interim Chief Financial Officer and Financial Director, Non-Independent (appointed on 26/10/2022)</p>	<p>Mr. Stavros Ioannou was born in Limassol on 18 March 1988. He holds a BA (Econ) in Accounting and Finance from the University of Manchester, UK. He is also a qualified Chartered Accountant (ACA) and a full member of the Institute of Chartered Accountants in England and Wales (ICAEW) and holds the advance certificate by the Cyprus Securities and Exchange Commission.</p> <p>Mr. Ioannou has more than 10 years experience in the financial services industry serving as a Manager in Investment Management and Private Equity team of Deloitte LLP, London, as a Vice President in</p>

4.9. CORPORATE GOVERNANCE POLICY

The Company, recognising the need for adherence to best practices on corporate governance, has elected to formulate the Company's Corporate Governance Policy based on selected aspects of the UK Corporate Governance Code 2018, the Cyprus Stock Exchange Code on Corporate Governance and the Wates Corporate Governance Principles for Large Private Companies 2018.

Effective corporate governance ensures that the Board of Directors is able to:

- interact effectively and deliver an agreed strategy;
- share a clear understanding of the related risk appetite;
- establish a robust control framework to manage risk effectively across the activities and business of the Company; and
- rely on the senior management and the board of directors of the portfolio companies to be open and transparent in providing timely, accurate, complete and relevant management information to facilitate decision-making in fulfilment of its duties and responsibilities.

The Board of Directors, the management team and staff of the Company shall comply with the provisions of the Company's Corporate Governance Policy which shall act as a guide of principles, actions and responsible conduct and the Company will take all reasonable steps to procure such compliance.

4.10. SHARE CAPITAL

4.10.1. Authorised Share Capital

On 5 June 2019, the authorised share capital of the Company was €100.000 divided into 100.000 ordinary shares of nominal value €1,00 each.

On 1 March 2021, the authorised share capital of the Company was converted from €100.000 divided into 100.000 ordinary shares of nominal value €1,00 each to €100.000 divided into 92.000 ordinary shares of nominal value €1,00 each and 8.000 redeemable preference shares of nominal value €1,00 each.

On 8 April 2022, the authorised share capital of the Company was converted from €100.000 divided into 92.000 ordinary shares of nominal value €1,00 each and 8.000 redeemable preference shares of nominal value €1,00 each to €100.000 divided into 100.000 ordinary shares of nominal value €1,00 each. On the same date, the Company split the nominal value of its shares (from €1,00 to €0,50 each) and the authorised capital was converted to €100.000 divided into 200.000 ordinary shares of nominal value €0,50 each and then increased to €500.000.000 divided into 1.000.000.000 ordinary shares of nominal value €0,50 each.

On 29 September 2022, the authorised share capital of the Company was further increased from 500.000.000 divided into 1.000.000.000 ordinary shares of nominal value €0,50 each to €1.250.000.000 divided into 2.500.000.000 ordinary shares of nominal value €0,50 each.

4.10.2. Issued Share Capital

Ordinary Shares

As at the date of its incorporation, the Company issued 10.000 ordinary shares of €1,00 each at par.

Since incorporation, the Company proceeded with various issuances as follows:

- On 19 March 2020, the Company issued 20 ordinary shares of nominal value €1,00 each to Mr. Ioannis Papalekas as part of the consideration of the 250 common registered shares in Sea Velvet Holdings S.A. contributed by the Founder to the Company pursuant to a contribution agreement.
- On 30 October 2020, the Company issued 1.000 ordinary shares of nominal value €1,00 each at a premium of €3.169,00 per share for the amount of €3.170.000,00, in exchange of 800 class A shares in Striver Investments Limited, an associate company, and of a receivable transferred to the Company by the Founder. The total share premium of €3.169.000 was credited to the share premium account.
- On 30 November 2020, the Company issued 1 ordinary share of nominal value €1,00 at a premium of €7.923.989,00 for the amount of €7.923.990,00, as additional consideration for shares received in Sea Velvet Holdings S.A. on 19 March 2020. The total share premium of €7.923.989 was credited to the share premium account.
- On 7 April 2022, the Company issued 1 ordinary share of nominal value €1,00 each at a premium of €6.999.999,00 for the amount of €7.000.000. The share premium of €6.999.999 was credited to the share premium account.
- On 8 April 2022, following the conversion of the redeemable preference shares into ordinary shares (for more details, please refer to sub-section "*Redeemable Preference Shares*" below), the total of 13.222 ordinary shares of nominal value €1,00 each were divided into 26.444 ordinary shares of nominal value €0,50 each. On the same date, the Company issued 131.181.576 ordinary shares of nominal value €0,50 each as fully paid bonus shares to Yoda Holdings Limited. The share premium account of the Company of €65.590.788 was utilised in paying the corresponding issuance of the bonus shares.
- On 5 July 2022, the Company issued 6.060.000 shares of nominal value €0,50 each for the amount of €3.030.000 to Yoda Holdings Limited.
- On 29 September 2022, the Company issued another 5.378.000 shares of nominal value €0,50 each at par to 11 other parties through private placement, as presented in the following table:

Shareholder's Name	Number of shares
Alon Bar	400.000
Marios Alexandrou	100.000
Vasileios Papalekas	1.000.000
Christos Stamatis Vasileiou	60.000
Prisantochu Limited	2.000.000
Raseda Enterprises Limited	1.800.000
Vasileios Apostolakis	2.000
Georgios Georgakis	10.000
Dimitrios Sotiriou	2.000
Efstathios Panagiotopoulos	2.000
Stavros Ioannou	2.000
TOTAL	5.378.000

- On 21 October 2022, the Company issued 40.000.000 shares of nominal value €0,50 each at par for the amount of €20.000.000 to Yoda Holdings Limited.
- On 4 November 2022, the Company issued 83.448.772 shares of nominal value €0,50 each at par in exchange for investments as mentioned in Section 6.3.1 – "*Transactions completed during the second half of 2022*". The aforesaid shares have been issued to the Founder, Novac Limited and Zorviani Limited pursuant to a shareholders' resolution dated 19 October 2022 signed by all the shareholders as of that date, as follows:

Shareholder's Name	Number of shares
Ioannis Papalekas	26.338.772
Novac Limited	26.698.546
Zorviani Limited	30.411.454
TOTAL	83.448.772

- On 17 November 2022, the Company issued 8.110.000 shares of nominal value €0,50 each at par in exchange for the investment in Wilkins Services Limited to Mr. Ioannis Papalekas, pursuant to a shareholders' resolution dated 19 October 2022 signed by all the shareholders as of that date.
- On 18 November 2022, the Board of Directors of the Company decided to pay dividends in the form of scrip dividend for the amount of €40.000.000. To this end, the Company issued 80.000.000 ordinary shares of nominal value €0,50 each at par to the shareholders pro-rata to their shareholding, as presented in the following table:

Shareholder's Name	Number of shares
Yoda Holdings Limited	51.718.437
Alon Bar	116.701
Marios Alexandrou	29.175
Vasileios Papalekas	291.752
Christos Stamatis Vasileiou	17.505
Prisantochu Limited	583.505
Raseda Enterprises Limited	525.154
Vasileios Apostolakis	583
Georgios Georgakis	2.917
Dimitrios Sotiriou	583
Efstathios Panagiotopoulos	583
Stavros Ioannou	583
Ioannis Papalekas	10.050.523
Novac Limited	7.789.374
Zorviani Limited	8.872.625
TOTAL	80.000.000

- On 23 November 2022, the Company issued 30.600.000 shares of nominal value €0,50 each at par in exchange for the investment in MYKONOS ASSET MANAGEMENT S.M.S.A. to Vasileios Papalekas pursuant to a shareholders' resolution dated 19 October 2022 signed by all the shareholders as of that date.

Redeemable Preference Shares

During the year ended 31 December 2021, the Company proceeded with various issuances of redeemable preference shares as follows:

- On 1 March 2021, the Company issued 1.000 redeemable preference shares of nominal value €1,00 each at a premium of €17.999,00 per share for the amount of €18.000.000. The total share premium of €17.999.000 was credited to the share premium account.
- On 30 March 2021, the Company issued 1.000 redeemable preference shares of nominal value €1,00 each at a premium of €8.499,00 per share for the amount of €8.500.000. The total share premium of €8.499.000 was credited to the share premium account.
- On 9 November 2021, the Company issued 100 redeemable preference shares of nominal value €1,00 each at a premium of €89.999,00 per share for a total consideration of €9.000.000. The total share premium of €8.999.900 was credited to the share premium account.

On 28 January 2022, the Company issued 100 redeemable preference shares of nominal value €1,00 each at a premium of €119.999,00 per share for the amount of €12.000.000. The total share premium of €11.999.900 was credited to the share premium account.

On 8 April 2022, all the 2.200 issued redeemable preference shares were converted into 2.200 ordinary shares of nominal value €1,00 each, and as a result, the Company no longer has any redeemable preference shares.

4.11.MAJOR SHAREHOLDERS

As of the date of this Admission Document, the Company has fifteen (15) shareholders. The dispersion of the Company's share capital is presented in the following table:

Shareholder	Number of shares (Direct)	Number of shares (Indirect)	Total number of shares (Direct & Indirect)	Percentage holding (%)
Yoda Holdings Limited*	228.986.457	-	228.986.457	59,507%
Vasileios Papalekas**	31.891.752	-	31.891.752	8,288%
Chairman Emeritus				
Ioannis Papalekas	44.499.295	76.355.504***	120.854.799	31,407%
Members of the Board				
- Alon Bar	516.701	-	516.701	0,134%
- Marios Alexandrou	129.175	-	129.175	0,034%
- Stavros Ioannou	2.583	-	2.583	0,001%
Managers	-	-	-	-
Personnel of the Issuer	-	-	-	-
General Public****	2.423.325	-	2.423.325	0,630%
TOTAL	308.449.288	76.355.504	384.804.792	100,00%

Notes:

* The beneficiary of Yoda Holdings Limited is Mr. Ioannis Papalekas.

** Mr. Ioannis Papalekas and Mr. Vasileios Papalekas are brothers.

*** Mr. Ioannis Papalekas owns 50% of the issued share capital of Prisantochu Ltd and 100% of the issued share capital of Zorviani Limited and he is the beneficiary of Novac Limited. Therefore, the indirect holding of Mr. Ioannis Papalekas in YODA PLC is equal to 76.355.504 ordinary shares.

**** General public comprises of six (6) shareholders.

4.11.1. Key provisions of the Articles of Association

Appointment of Directors

A Member (as such term is defined in the Company's Articles of Association) holding together with its Affiliates thirty three point four per cent (33,4%) or more of the shares comprising the Company's issued share capital, shall be entitled to nominate, appoint, maintain, remove and replace from time to time two (2) persons as Directors of the Company (the "**Member Appointed Directors**"). The appointment of any Member Appointed Director(s) shall terminate automatically and immediately upon the Member who has appointed him ceases from holding together with its Affiliates thirty three point four per cent (33,4%) or more of the shares comprising the Company's issued share capital. The Member appointing a Member Appointed Director shall be responsible for all fees, expenses and liabilities arising out of the termination of his appointment and any alternate Director for such Member Appointed Director and no such fees, expenses or liability shall be payable by the Company.

Prohibited Members

The Articles of Association of the Company confer on the Directors of the Company the power to suspend any voting rights and/or any rights to participate in distributions made by the Company with respect to shares in the Company held by or in relation to which a person has an interest (the "**Prohibited Shares**"), in the event that such person qualifies as a Prohibited Member (as this term

is defined in the Articles of Association of the Company) and/or, order the mandatory disposal of such shares.

A member may qualify as a Prohibited Member for the purposes of the Articles of Association if, inter alia:

- (a) by reason of being a member of the Company or having an interest in any of the Company's shares would in the opinion of the Board of Directors, cause the imposition of materially detrimental restrictions and/or additional requirements regarding the carrying out of the business activities of the Company or any of its subsidiaries, by reason of being a Sanctioned Person (as this term is defined in the Articles of Association); or
- (b) the member has been duly served with a notice given by the Board of Directors to disclose to the Company the identity of any person other than the Member who has, or has had at any time during the three years immediately preceding the date on which the notice is issued, any interest (whether direct or indirect) in the shares held by the Member and the nature of such interest and is in default after the prescribed deadline in supplying to the Company the information thereby required.

4.11.2. Management and track record

Ioannis Papalekas (Chairman Emeritus and Founder)

Mr. Ioannis Papalekas is a Greek national born in Greece in 1976. He obtained undergraduate and postgraduate degrees in civil engineering and real estate investment management in the UK.

Mr. Papalekas went to Romania in the early 2000s and was responsible for delivering a large distribution centre for a Greek IT multinational company. While in Romania, he witnessed a country emerging out of communism and converging rapidly with Western Europe and decided to leave the multinational company and started to invest in the local real estate market.

Between 2001 and 2008, he created one of the most successful private real estate development and investment groups in the Romanian real estate market. During this time, Mr. Papalekas was involved in numerous real estate transactions and operations, mainly through companies in which he participated as founder, major shareholder and general manager. These companies were involved in the acquisition, master planning, development, reconstruction, refurbishment, operation and asset management of land and buildings across all major asset classes (office, retail, logistics and residential), including the development of more than 400.000 square metres of commercial (office, retail and logistics) space and 1.000 residential units, with a total equity investment volume in excess of €70,0m.

Shortly before the Lehman Brothers collapse and the start of the Global Financial Crisis in 2008, Mr. Papalekas disposed of all his real estate investments to a number of major financial institutions and real estate investors (including Deutsche Bank, Allianz Group, and Australian pension funds) realising significant returns (circa 175% IRR and an almost 5x investment multiple) for his co-investors and himself.

Between 2008 and 2012, Mr. Papalekas stayed in Romania mainly working as a partner and asset manager in real estate projects for a number of investors, including Deutsche Bank with whom he became their exclusive partner in the broader south-east Europe region.

In 2012, Mr. Papalekas determined that the time was right to re-invest in the Romanian market as there was significant evidence of distress and market dislocation. This time, he wanted to create a more public vehicle, and this was the inception of Globalworth Real Estate Investments Limited ("**Globalworth**"), which he founded and listed on the London Stock Exchange in July 2013 raising circa €55,0m as a real estate investor and developer with a primary focus on offices in the CEE. The first investment opportunities were the acquisitions of assets he had sold before the crisis at significant discounts to their previous value.

An excellent track record started attracting the interest of more investors. First in 2014, York Capital and Oakhill Advisors, two major US funds, invested in the company, and in 2016 CPPIB (Canada's sovereign wealth fund) and Growthpoint Properties (South Africa's largest real estate investment company). By that time, Globalworth had become Romania's largest office investor and landlord.

The continuous success of Globalworth enabled the company to access the international bond capital markets raising more than €1,5bn of Eurobonds and attracting additional institutional equity investors like EBRD and Aroundtown S.A (Germany's largest commercial real estate company). A major milestone in the company's corporate development under Mr. Papalekas' leadership was Globalworth's entry into the Polish real estate market in late 2017 where, through a series of acquisitions, Globalworth became the largest office investor and landlord in the country and as a result in the broader CEE region.

Following its IPO in 2013 Globalworth grew from a €55,0m company with no assets to a €3,0bn+ market leader in the CEE region with over 50 buildings and 1,2m m² across Poland and Romania managed by a team of over 200 employees.

In February 2020, Mr. Papalekas successfully sold his entire stake in Globalworth to CPI Property Group, a circa €9,0bn real estate investment company and a market leader in the Czech and Berlin real estate markets, in a circa €340m transaction which again demonstrated his ability to execute and dispose of investments generating significant returns.

Aside from his real estate investment business activities, Mr. Papalekas has also been active in the shipping and pharmaceutical businesses over the years, successfully co-investing alongside very experienced and successful operators and entrepreneurs.

It is important to note that Mr. Papalekas is also a great philanthropist having donated several million Euros over the years in several charitable causes mainly focused around children in need and education.

4.11.3. Warrants and long-term incentive scheme

The Company, intends at some point in the future, subject to the shareholders' approval and any applicable law:

- (i) to grant warrants to the Founder and any members of the management team exercisable on such terms and conditions as the Company may deem fit; and / or
- (ii) to implement long term incentive plan(s) to remunerate and / or reward the Founder and any members of the management team of the Company and its subsidiaries.

4.11.4. Management team performance incentive scheme

The Company does not as at the date of this Admission Document have any arrangement in place in relation to the performance of the management team and/or the employees. However, the Board of Directors of the Company is expected to examine the adoption and implementation of an incentive plan for the member of the management team and/or the employees of the Company following the admission of the Company's shares on the ECM.

4.12. RELATED PARTY TRANSACTIONS

The following transactions were carried out by the Company with related parties for the financial years ended 31 December 2021 and 31 December 2020 as well as the six-month period ended 30 June 2022. All transactions were carried out at arm's length.

4.12.1. Receivables from related parties

	30 June 2022	31 December 2021	31 December 2020
	(reviewed)	(audited)	(audited)
	€	€	€
Striver Investments Limited.....	2.209.359	2.209.359	2.552.470
Other related party.....	-	76.000	-
	2.209.359	2.285.359	2.552.470

Based on a contribution agreement dated 30 October 2020, Mr. Ioannis Papalekas contributed to the Company 800 Class A shares in Striver Investments Limited (a company incorporated in the British Virgin Islands that redomiciled in Cyprus in 2019 as an overseas company) and transferred the receivable from Striver Investments Limited of \$3.135.453 in exchange of 1.000 ordinary shares of nominal value €1,00 each, which were issued by the Company on 30 October 2020 at a share premium of €3.169.000.

During December 2021, the Company disposed of its subsidiary companies to the Founder for a total consideration of €76.000. The consideration was repayable by 31 December 2022, and it was fully settled in April 2022.

4.12.2. Loans to related parties

	30 June 2022	31 December 2021	31 December 2020
	(reviewed)	(audited)	(audited)
	€	€	€
Amkiri Ltd.....	1.891.495	1.697.951	626.746
Royal Shipping Holdings S.A.....	-	2.687.106	2.444.418
Azesto Enterprises Limited.....	13.106.849	-	-
Capetan Ioannis Holdings S.A.....	2.913.972	2.675.148	-
Other related party.....	286.453	-	-
	18.198.769	7.060.205	3.071.164

During the years 2020 and 2021, the Company granted four loans to its associate company, Amkiri Ltd, for the total amount of \$1.845.400 against the issuance of convertible promissory notes. The loans bear interest of 6% per annum.

On 20 November 2020, the Company entered into a loan facility agreement with Royal Shipping Holding S.A., a wholly owned subsidiary of Sea Velvet Holding S.A., for the provision of a loan up to the amount of \$3.000.000. The interest rate on the loan was 1,5% per annum and the loan was fully settled in March 2022.

On 21 December 2021, the Company entered into a convertible loan agreement with Azesto Enterprises Limited, a company wholly owned by the Founder, for the provision of a loan up to €13.000.000. The loan was granted in 2022, it bears interest of 2,0% per annum and is repayable on 31 December 2023.

During March 2021, the Company entered into two loan facility agreements with Capetan Ioannis Holdings S.A., a wholly owned subsidiary of Sea Velvet Holding S.A., for the provision of two loan facilities amounting to \$4.625.000 and \$3.000.000 respectively. The loans bore interest at 1,5% per annum and were repayable once certain conditions and events were met. The loan of \$4.625.000 was repaid in June 2021 and the loan of \$3.000.000 was assigned to Papaseas Maritime Limited for the consideration amount of €3.136.963 on 21 October 2022.

On 31 May 2022, the Company entered into a loan facility agreement with Mr. Alon Bar, the Chief Executive Officer of the Company, for the provision of a loan facility amounting to \$300.000. The loan has been provided at arm's length, is uncommitted/unsecured, bears interest at 2,0% per annum and is repayable by 31 December 2028.

4.12.3. Payables to own subsidiaries

	30 June 2022 (reviewed)	31 December 2021 (audited)	31 December 2020 (audited)
	€	€	€
Papaitaly Holdings Limited.....	-	-	1.000
Papaseas Maritime Limited.....	-	-	10.000
	-	-	11.000

On 4 November 2020, the Company established a wholly-owned subsidiary, Papaseas Maritime Limited, by way of subscribing 100% of its share capital (i.e., 10.000 shares) at par, for the total consideration of €10.000.

In addition, on 6 November 2020, the Company acquired 100% of the share capital of Papaitaly Holdings Limited for the total consideration of €1.000.

The Company's entire holding in both subsidiaries was disposed of in December 2021.

4.12.4. Loans from related parties

	30 June 2022 (reviewed)	31 December 2021 (audited)	31 December 2020 (audited)
	€	€	€
The Yoda Trust.....	-	-	43.558.243
	-	-	43.558.243

On 19 March 2020, the Company entered into a loan agreement with its shareholder as of that date for the provision of a loan for the amount of €30.000.000. Following the conclusion of two amendment agreements during September 2020, the loan facility was increased to €60.000.000. On 09 December 2020, the loan was transferred to The Yoda Trust, which was the new shareholder of the Company at the time. The loan was interest free and was fully repaid during 2021.

4.12.5. Shareholders' current accounts – credit balances

	30 June 2022 (reviewed)	31 December 2021 (audited)	31 December 2020 (audited)
	€	€	€
Shareholders' current accounts.....	-	212	-
	-	212	-

The shareholders' current accounts are interest free and have been repaid during 2022.

4.12.6. Other transactions between the Issuer and the major shareholders and related parties

Other than the information provided in Section 4.5. – "Major Contracts - Contracts relating to the shipping industry", Section 4.12. – "Related party transactions" and Section 6.3. – "Prospects", there are no other transactions between the Company and the major shareholders and/or related parties.

5. HISTORICAL FINANCIAL INFORMATION

The financial statements of the Company for the years ended 31 December 2021 and 31 December 2020 have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113 (as amended from time to time).

The financial statements of the Company for the years ended 31 December 2021 and 31 December 2020 have been audited by the independent auditors of the Company, Ernst & Young Cyprus Limited.

The following financial results for the six-month period ended 30 June 2022 are based on the interim condensed financial statements of the Company for the aforesaid period, which have been prepared in accordance with the International Accounting Standard 34 – "Interim Financial Reporting". The interim condensed financial statements of the Company for the six-month period ended 30 June 2022 have been reviewed by the independent auditors of the Company.

The selected financial information provided below is extracted from the Company's audited financial statements as at and for the years ended 31 December 2021 and 31 December 2020 (the "**Audited Financial Statements**") and the Company's interim condensed financial statements for the six-month period ended 30 June 2022 (the "**Interim Financial Statements**"). The historical financial information should be read in conjunction with the full Audited Financial Statements and the Interim Financial Statements and the relevant notes to the financial statements. The Audited Financial Statements and the Interim Financial Statements of the Company are enclosed as Appendix A of this Admission Document.

5.1. STATEMENT OF COMPREHENSIVE INCOME

5.1.1. Interim Condensed Statement of Comprehensive Income

	For the period ended 30 June	
	2022 (reviewed) €	2021 (unaudited) €
Revenue	3.313.304	460.762
Other operating income.....	-	1.787
Administration expenses.....	(717.096)	(738.370)
Operating profit / (loss)	2.596.208	(275.821)
Net finance income / (cost).....	581.038	(86.498)
Profit / (loss) before tax	3.177.246	(362.319)
Taxation.....	(75.390)	(34.040)
Net profit/ (loss) for the period	3.101.856	(396.359)
Other comprehensive income for the period.....	-	-
Total comprehensive income for the period	3.101.856	(396.359)

Review of comprehensive income

During the six-month period ended 30 June 2022, the revenue of the Company amounted to €3.313.304 compared to €460.762 for the six-month period ended 30 June 2021. The increase of €2.852.542 is mainly due to the increase in interest income from loans granted by the Company of €1.405.855 and the fair value gain from financial assets at fair value through profit or loss of €852.571.

The operating loss of the Company of €275.821 for the six-month period ended 30 June 2021 turned into operating profit of €2.596.208 for the six-month period ended 30 June 2022 mainly due to the abovementioned increase in revenue.

The net finance cost of €86.498 for the six-month period ended 30 June 2021 turned into net finance income of €581.038 for the six-month period to 30 June 2022.

As a result of the abovementioned changes, the profit before tax for the six-month period ended 30 June 2022 amounted to €3.177.246 compared to loss of €362.319 for the six-month period ended 30 June 2021. Similarly, the profit after tax for the six-month period ended 30 June 2022 amounted to €3.101.856 compared to loss of €396.359 for the six-month period ended 30 June 2021.

5.1.2. Statement of Comprehensive Income

	For the year ended 31 December	
	2021 (audited) €	2020 (audited) €
Revenue	1.995.931	6.936.994
Other operating income.....	1.787	355.000
Administration expenses.....	(2.091.332)	(494.790)
Other expenses.....	(448.354)	(2.138)
Operating (loss) / profit	(541.968)	6.795.066
Net finance cost.....	(150.416)	(292.338)
(Loss) / profit before tax	(692.384)	6.502.728
Tax.....	(164.881)	(24.794)
Net (loss) / profit for the year	(857.265)	6.477.934
Other comprehensive income.....	33.864.541	-
Total comprehensive income for the year	33.007.276	6.477.934

Review of comprehensive income

During the year ended 31 December 2021, the revenue of the Company amounted to €1.995.931 compared to €6.936.994 for the year ended 31 December 2020. The decrease of €4.941.063 (or by 71,23%) is mainly due to the one-off net gain on trading in financial instruments of €6.791.548 in 2020 (2021: €0), and the increase in interest income from loans granted by the Company of €1.902.903 in 2021.

The operating profit of the Company of €6.795.066 for the year ended 31 December 2020 turned into operating loss of €541.968 for the year ended 31 December 2021 mainly due to the abovementioned reduction in revenue and the increase in administrative and other expenses of €2.042.758. More specifically, administrative expenses increased from €494.790 in 2020 to €2.091.332 in 2021 (or by €1.596.542) mainly due to (i) the increase in staff salaries by €496.907, (ii) the increase in other professional fees from €28.916 to €493.199 (or by €464.283), and (iii) the increase in travelling costs by €379.330.

The loss before tax for the year ended 31 December 2021 amounted to €692.384 compared to profit of €6.502.728 for the year ended 31 December 2020.

During the year ended 31 December 2021, the Company revalued its financial assets classified at fair value through other comprehensive income and recognised a fair value gain of €33.864.541. The aforesaid fair value gain resulted from (i) the valuation of the Company's investments in partnerships as at 31 December 2021 pursuant to quantitative information provided by the partnerships' general partner, resulting to fair value gain of €7.560.637, and (ii) the valuation of the investments in unquoted equity securities in the technology sector which was performed by an independent valuer utilising the Option Pricing Method and resulted in a fair value gain of €26.303.904.

5.2. STATEMENT OF FINANCIAL POSITION

5.2.1. Interim Condensed Statement of Financial Position

	30 June 2022 (reviewed) €	31 December 2021 (audited) €
ASSETS		
Non-current assets		
Investments in associates.....	44.488.139	44.488.139
Financial assets at fair value through other comprehensive income.....	79.528.409	58.520.839
Loans receivable.....	44.700.426	51.786.417
Total Non-current assets.....	168.716.974	154.795.395
Current assets		
Receivables.....	3.166.414	3.210.162
Loans receivable.....	20.922.063	-
Financial assets at fair value through profit or loss.....	4.777.445	3.924.874
Cash and cash equivalents.....	3.911.702	19.368.998
Total Current assets.....	32.777.624	26.504.034
TOTAL ASSETS.....	201.494.598	181.299.429
EQUITY AND LIABILITIES		
Capital and reserves		
Issued capital.....	65.604.010	13.121
Share premium.....	-	46.590.889
Fair value reserve-Financial assets at fair value through other comprehensive income.....	33.864.541	33.864.541
Retained earnings.....	8.797.241	5.695.385
Total equity.....	108.265.792	86.163.936
Non-current liabilities		
Borrowings.....	92.010.651	92.006.089
Total Non-current liabilities.....	92.010.651	92.006.089
Current liabilities		
Trade and other payables.....	680.856	2.677.080
Bank overdraft.....	9.585	-
Other financial liabilities.....	380.000	380.000
Current tax liabilities.....	147.714	72.324
Total Current liabilities.....	1.218.155	3.129.404
Total liabilities.....	93.228.806	95.135.493
TOTAL EQUITY AND LIABILITIES.....	201.494.598	181.299.429

Review of financial position

Financial assets at fair value through other comprehensive income increased by 35,90% from €58.520.839 as at 31 December 2021 to €79.528.409 as at 30 June 2022. The increase of €21.007.570 related to additional investments in unquoted equity securities of €12.723.038 and investments in partnerships and funds of €8.284.532.

Loans receivable amounted to €65.622.489 as at 30 June 2022 compared to €51.786.417 as at 31 December 2021. The increase of €13.836.072 related mainly to new loans granted to related and third parties of €14.063.094, repayments of loans of €2.696.550 and interest charged of €1.823.707.

The issued share capital of the Company increased by €65.590.889 from €13.121 as at 31 December 2021 to €65.604.010 as at 30 June 2022 mainly due to the issue of fully paid bonus shares out of the share premium reserve. For more details, please refer to Section 4.10.2. – "Issued Share Capital".

Current liabilities amounted to €1.218.155 as at 30 June 2022 compared to €3.129.404 as at 31 December 2021. The decrease of €1.911.249 was mainly due to the decrease in trade and other payables of €1.996.224.

5.2.2. Statement of Financial Position

	31 December 2021 (audited) €	31 December 2020 (audited) €
ASSETS		
Non-current assets		
Investments in subsidiaries.....	-	11.000
Investments in associates.....	44.488.139	42.471.499
Financial assets at fair value through other comprehensive income.....	58.520.839	2.987.829
Loans receivable.....	51.786.417	8.990.570
	154.795.395	54.460.898
Current assets		
Receivables.....	3.210.162	2.616.489
Financial assets at fair value through profit or loss.....	3.924.874	-
Cash and cash equivalents.....	19.368.998	5.217.782
	26.504.034	7.834.271
Total assets.....	181.299.429	62.295.169
EQUITY AND LIABILITIES		
Equity		
Share capital.....	13.121	11.021
Share premium.....	46.590.889	11.092.989
Fair value reserve-Financial assets at fair value through other comprehensive income.....	33.864.541	-
Retained earnings.....	5.695.385	6.552.650
Total equity.....	86.163.936	17.656.660
Non-current liabilities		
Borrowings.....	92.006.089	-
	92.006.089	-
Current liabilities		
Trade and other payables.....	2.677.080	1.076.663
Borrowings.....	-	43.558.243
Contingent liabilities.....	380.000	-
Current tax liabilities.....	72.324	3.603
	3.129.404	44.638.509
Total liabilities.....	95.135.493	44.638.509
Total equity and liabilities.....	181.299.429	62.295.169

Review of financial position

Financial assets at fair value through other comprehensive income amounted to €58.520.839 as at 31 December 2021 compared to €2.987.829 as at 31 December 2020. The increase of €55.533.010 related to net investments in unquoted equity securities and partnerships of €21.668.469 (i.e., additions of €22.699.900 and disposals of €1.031.431) and a revaluation difference transferred to equity as a fair value reserve of €33.864.541.

Loans receivable amounted to €51.786.417 as at 31 December 2021 compared to €8.990.570 as at 31 December 2020. The increase of €42.795.847 related mainly to new loans granted to related and third parties of €45.165.966 and to repayments of loans of €3.927.150.

Share premium increased by €35.497.900 from €11.092.989 as at 31 December 2020 to €46.590.889 as at 31 December 2021 due to the various issuances of redeemable preference shares which took place in 2021. For more details, please refer to Section 4.10.2. – "Issued Share Capital".

Non-current borrowings amounted to €92.006.089 as at 31 December 2021 (2020: €0). On 13 January 2021, the Company entered into an agreement with the Founder and a third party acting as investor, according to which the parties wish to co-operate and invest in various sectors in order to promote the business of the Company. According to the amended and restated agreement concluded on 6 April 2021, the investors would perform a contribution of up to €100.000.000 each to the Company in the form of an uncommitted loan facility or otherwise. As at 31 December 2021, the Company has utilised an amount of €92.000.000 from this facility. The loan bore interest of 0,01% per annum with a convertible option into the Company's shares.

During 2021, the Company repaid current borrowings of €43.558.243 which was payable to a related party. For more details with regards to this loan, please refer to Section 4.12.4. – "Loans from related parties" of this document.

5.3. STATEMENT OF CASH FLOWS

5.3.1. Interim Condensed Statement of Cash Flows

	For the period ended 30 June	
	2022	2021
	(reviewed)	(unaudited)
	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	3.177.246	(362.319)
Adjustments for:		
Unrealised exchange profit.....	(633.769)	(599)
Fair value (gains)/losses on financial assets at fair value through profit or loss.....	(852.571)	-
Dividend income.....	(637.026)	(42.910)
Interest income.....	(1.823.707)	(417.852)
Interest expense.....	7.120	11.180
Loss from operating activities before changes in working capital.....	(762.707)	(812.500)
Changes in working capital:		
Decrease/ (increase) in receivables.....	43.748	385.736
Increase in other financial liabilities.....	-	400.000
(Decrease)/increase in trade and other payables.....	(1.996.225)	(335.899)
Cash used in operations	(2.715.184)	(362.663)
Dividends received.....	637.026	42.910
Net cash used in operating activities	(2.078.158)	(319.753)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of financial assets at fair value through other comprehensive income.....	(21.007.570)	(6.276.784)
Payment for purchase of investments in associated undertakings.....	-	(2.016.640)
Loans granted.....	(14.063.094)	(27.477.686)
Loans repayments received.....	2.696.550	-
Net cash used in investing activities	(32.374.114)	(35.771.110)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital.....	19.000.000	26.500.000
Repayments of borrowings.....	-	(43.558.240)

Proceeds from borrowings.....	-	72.000.000
Unrealised exchange loss.....	(12.051)	-
Interest paid.....	(2.558)	(9.332)
Net cash generated from financing activities	18.985.391	54.932.428
Net increase/(decrease) in cash and cash equivalent....	(15.466.881)	18.841.565
Cash and cash equivalents at beginning of the period.....	19.368.998	5.217.782
Cash and cash equivalents at end of the period.....	3.902.117	24.059.347

Review of cash flows

The net decrease in cash and cash equivalents of €15.466.881 for the six-month period ended 30 June 2022 is mainly due to the following:

- The loss from operating activities before working capital changes of €762.707.
- The negative effect of changes in working capital for the amount of €1.952.477.
- The dividends received for the amount of €637.026.
- The purchase of financial assets at fair value through other comprehensive income of €21.007.570.
- The loans granted to related and third parties for the amount of €14.063.094 which were offset by the loan repayments received of €2.696.550.
- The proceeds from the issue of share capital of €19.000.000.

5.3.2. Statement of Cash Flows

	For the year ended 31 December	
	2021	2020
	(audited)	(audited)
	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before tax.....	(692.384)	6.502.728
Adjustments for:		
Unrealised exchange (profit)/loss.....	(957.128)	148.335
Net loss from the sale of financial assets at fair value through profit or loss.....	30.136	-
Fair value losses on financial assets at fair value through profit or loss.....	418.218	-
Dividend income.....	(42.910)	(95.328)
Interest income.....	(1.953.021)	(50.118)
Interest expense.....	26.006	157.592
Loan receivable expense.....	1.000.000	-
(Loss)/ profit from operating activities before changes in working capital.....	(2.171.083)	6.663.209
Changes in working capital:		
Increase in receivables.....	(593.673)	(2.616.489)
Increase in financial assets at fair value through profit or loss.....	(4.393.228)	-
Increase in other financial liabilities.....	380.000	-
Increase in trade and other payables.....	1.600.417	1.063.315
Cash (used in) / generated from operations.....	(5.177.567)	5.110.035
Dividends received.....	42.910	95.328
Tax paid.....	(96.160)	(21.191)
Net cash (used in) / generated from operating activities.....	(5.230.817)	5.184.172

CASH FLOWS FROM INVESTING ACTIVITIES

Payment for purchase of financial assets at fair value through other comprehensive income.....	(22.699.900)	(2.987.829)
Payment for purchase of investments in subsidiaries.....	(65.000)	(11.000)
Payment for purchase of investments in associated undertakings.....	(2.016.640)	(19.664.309)
Loans granted.....	(44.165.966)	(10.663.696)
Loans repayments received.....	3.927.150	1.584.070
Proceeds from sale of financial assets at fair value through other comprehensive income.....	84.363	-
Net cash used in investing activities.....	(64.935.993)	(31.742.764)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from issue of share capital.....	35.500.000	1.021
Repayments of borrowings.....	(43.558.243)	(11.781.068)
Proceeds from borrowings.....	92.000.000	43.564.819
Unrealised exchange profit/(loss).....	396.186	(9.162)
Interest paid.....	(19.917)	(129)
Net cash generated from financing activities	84.318.026	31.775.481
Net increase in cash and cash equivalents.....	14.151.216	5.216.889
Cash and cash equivalents at beginning of the year.....	5.217.782	893
Cash and cash equivalents at end of the year.....	19.368.998	5.217.782

Review of cash flows

The net increase in cash and cash equivalents of €14.151.216 for the year ended 31 December 2021 is mainly due to the following:

- The loss from operating activities before working capital changes of €2.171.083.
- The negative effect of changes in working capital for the amount of €3.006.484.
- The purchase of financial assets at fair value through other comprehensive income of €22.699.900.
- The purchase of investments in associate undertakings of €2.016.640.
- The loans granted to related and third parties for the amount of €44.165.966 which were offset by the loan repayments received of €3.927.150.
- The proceeds from the issue of share capital of €35.500.000.
- The proceeds from borrowings of €92.000.000 which were offset by repayments of borrowings of €43.558.243.

The net increase in cash and cash equivalents of €5.216.889 for the year ended 31 December 2020 is mainly due to the following:

- The profit from operating activities before changes in workings of €6.663.209.
- The negative effect of changes in working capital of €1.553.174.
- The purchase of financial assets at fair value through other comprehensive income of €2.987.829.
- The purchase of investments in associated undertakings €19.664.309.
- The loans granted to related and third parties for the amount of €10.663.696 which were offset by the loan repayments received of €1.584.070.
- The proceeds from borrowings of €43.564.819 which were offset by repayments of borrowings of €11.781.068.

5.4. ANALYSIS OF REVENUE

The following table presents an analysis of the Company's revenue by revenue stream:

	30 June 2022	30 June 2021	31 December 2021	31 December 2020
	(reviewed)	(unaudited)	(audited)	(audited)
	€	€	€	€
Dividend income.....	637.026	42.910	42.910	95.328
Loan interest income..	1.823.707	417.852	1.953.021	50.118
Net gain on trading in financial instruments...	-	-	-	6.791.548
Fair value from financial assets at fair value through profit or loss.....	852.571	-	-	-
TOTAL	3.313.304	460.762	1.995.931	6.936.994

Revenue from loan interest income increased from €417.852 during the six-month period to 30 June 2021 to €1.823.707 during the six-month period to 30 June 2022. Loan interest income was the main source of revenue in 2021, representing 97,9% of the total revenue for that year. This source of revenue increased significantly from €50.118 for the year ended 31 December 2020 to €1.953.021 for the year ended 31 December 2021. The increase is attributed to the granting of additional loans by the Company to related and third parties.

Dividend income increased from €42.910 during the six-month period ended 30 June 2021 to €637.026 during the six-month period ended 30 June 2022, representing 19,2% of the total revenue in the six-month period to 30 June 2022. Dividend income decreased by 55,0% from €95.328 for the year ended 31 December 2020 to €42.910 for the year ended 31 December 2021. Dividend income represented 2,1% and 1,4% of the total revenue in 2021 and 2020 respectively.

A fair value gain from financial assets at fair value through profit or loss of €852.571 was recognised during the six-month period to 30 June 2022, representing 25,7% of the total revenue for the aforesaid period.

The Company made a one-off net gain on trading in financial instruments of €6.791.548 for the year ended 31 December 2020.

6. GOALS/TARGETS, PROSPECTS AND BUSINESS PLAN

6.1. GOALS/TARGETS

The Company aims to give investors exposure to quality investments, operating and start-up businesses with strong management teams providing structural support for growth. The Company intends to support such investments/companies and seek to capitalise on their success.

The Company will invest in the industries, sectors, jurisdictions and investments approved from time to time by the Board of Directors in its judgment and discretion. The geographies, forms and structure of the investments made will also be determined by the Board of Directors from time to time in its judgment and discretion. In addition, as the Company grows, the Board of Directors may, in its discretion, establish committees to input on and oversee investments and the investment policy, and such committees will ultimately report to the Board of Directors of the Company. The management team will focus on investments primarily in the form of equity and debt and will look for businesses with propositions that are either commercially validated through sales volume, operating in a well-defined niche with proven market fit, or with a clear and comprehensive plan for growth and value creation. The Company may also undertake opportunistic investments in assets or businesses that are considered attractive on a risk/return basis by the Board of Directors.

6.2. BUSINESS PLAN

The Company's investment objective is to provide shareholders and potential investors with capital appreciation from its investment portfolio and distributions approved from time to time by the Board of Directors in its judgment and discretion.

The Company will invest with diversification in mind and seek to invest in a broad selection of companies, which in turn make direct, primary and secondary investments and provide access to underlying investments that are further diversified in terms of geography, strategy, lifecycle, and industry approved from time to time by the Board of Directors. The Company will monitor its portfolio by strategy, geography, lifecycle, and industry with diversification in mind. The Company aims to create a comprehensive portfolio in the chosen investment sectors that is well positioned across market cycles and can generate attractive risk-adjusted returns for investors.

The Company's Business Plan is prepared by the Board of Directors which maintains the responsibility of its implementation. The investment policy and process, as well as the investment structuring is formulated and developed by the management team and the Board of Directors.

6.2.1. Investment Policy

The Company's investment policy is to invest in the industries, sectors and investments approved from time to time by the Board of Directors in its judgment and discretion. This includes, but is not limited to, investments in the areas of real estate, technology and telecommunications, shipping and healthcare. The Company may also undertake opportunistic investments in assets or businesses that are considered attractive on a risk/return basis by the Board of Directors, including, without limitation, in public and private equity investments as well as investments in public and private debt.

Investments may include, without limitation:

- (i) direct and indirect investments in equity and debt instruments, including equity in private and public companies, as well as in private and public debt which may include sub-investment grade and unrated debt instruments;
- (ii) subscriptions to fund structures where the fund invests in various asset classes;
- (iii) co-investments with related or third parties;
- (iv) investments in restructurings; and
- (v) controlling or minority stakes.

The Company will provide its shareholders with investment exposure to a portfolio of real estate assets which are or will be managed by a team of professionals with a proven track record of real estate investment and development and particular expertise in generating value from underperforming or undervalued assets, selected from time to time by the Board of Directors in its judgment and discretion. The investment objectives in this area will be set by the Board of Directors in its discretion and will include pursuing investments in the real estate sector that are expected to provide attractive risk-adjusted returns through a combination of yield and capital appreciation. It is currently anticipated that investments will be made in a number of jurisdictions across a diversified range of properties and real estate-related businesses. Investments made by the Company in this area may take the form of, but shall not be limited to, investments in single assets, real estate portfolios and companies, joint ventures, loan portfolios and equity and debt instruments. The management team of the Company believes that the Company is well positioned to take advantage of specific market dislocations and arbitrage opportunities so as to create returns for shareholders through the sourcing, structuring and execution of real estate transactions and their subsequent optimisation through asset management initiatives.

By investing in the shipping industry, the Company will also seek to optimize its income as vessel ownership can offer an attractive risk-adjusted stream of cash revenues. The shipping investment strategy will include capitalising on opportunities to acquire quality assets at favourable prices using competitive financing arrangements and achieving high utilization of the vessels once acquired.

The Company is seeking to invest in technology and telecommunication companies which operate in various segments, markets and jurisdictions, and they are at different stages of their lifecycle. The investment focus is expected to be on companies that show growth potential or are start-up companies providing breakthrough technologies with potential of scalability and global expansion as well as in companies with innovative ideas that are trying to disrupt certain markets. Exposure to investments in such companies may be obtained directly or indirectly through, for example, investments in technology focused funds that have an active, value-added role on key objectives to deliver exceptional returns.

The management team is also looking to obtain exposure to the healthcare industry by investing directly or indirectly through, for example, funds which invest in pharmaceuticals and biotech, and that are actively managed by reputable industry investment firms and professionals and capitalise on their specific knowledge and experience in achieving attractive risk-adjusted returns.

6.2.2. Investment Process

The management team will draw on resources and expertise built over many years of experience to provide investment advice in relation to the acquisition, monitoring and realisation of investments in accordance with the Company's investment policy approved from time to time by the Board of Directors in its judgment and discretion.

The management team will utilise sector and sub-sector knowledge, combined with a global reach and knowledge driven by long standing experience, to source attractive investment opportunities consistent with the investing policy set by the Board of Directors.

This will include utilising sector-focused strategies and looking for opportunities where the Company's capital and experience can help businesses transform, thereby generating returns. In sourcing and recommending investments, the management team would summarise its investment process as follows:

1. **Identify:** The management team generates investment ideas through its sector specific networks globally. The team will typically identify sub-sectors within the core investment sectors that they believe will benefit from secular growth trends. Within each sub-sector, the relevant members of the investment team will identify companies expected to be the beneficiaries of growth and outperform the market. The management team will make investment recommendations to the Board of Directors and provide ongoing guidance on pricing, contractual negotiations and other considerations prior to signing or closing an agreement or transaction. Members of the relevant investment team will be actively involved throughout the process and will participate in, and contribute to, investment recommendations. The management team will typically provide quarterly updates on the investment portfolio to the Board of Directors and keep the Board apprised of any material developments with respect to an investment, potential investments and/or the portfolio.
2. **Hands-on:** The management team will seek to play an active role in the development of the portfolio companies in which the Company invests as value can be created by the ability to influence a portfolio company's strategy, execution, exit timing and process. The Company will seek to provide portfolio companies with input in such matters as deal and industry experience, project management and planning capabilities and corporate finance insights.
3. **Realise/Exit:** The Company does not have fixed holding periods for its investments. The management team will discuss any proposed exits from investments with the Board of Directors and agree on the appropriate exit strategy and structure with the Board of Directors. Examples of matters prompting an exit from a particular investment may include situations in which an investment's goals have been realised, interest is received from a potential acquirer, an investment is underperforming compared with original goals without the expectation of future improvement, or in which it is otherwise appropriate to review the possibilities of exiting an investment.

6.2.3. Investment structuring

In pursuing investment opportunities, the Company may establish one or more companies in such jurisdictions as may be appropriate and/or economical, or acquire some or all of the share capital of such companies. The Company may also acquire listed securities in cases where the transaction business plan provides for the formation of a strategic partnership with a publicly listed entity or pursuing the delisting of that company. The Company may also enter into joint ventures with operating or financial partners in cases where such entities have introduced such opportunities and wish to participate as co-investors, particularly when they have specialised expertise or local knowledge or there is a need for additional funding to consummate a particular investment.

The Company may fund its investments through an appropriate mix of share capital, intra-group shareholder loans and third-party debt. The amount of leverage employed with respect to an investment will be dependent on the nature of the opportunity. Debt financing is expected to be an important component of the structuring and execution of the Company's investments. The management team has substantial experience in structuring and executing debt financing transactions, which often involve a high degree of complexity.

6.3. PROSPECTS

The Company strives for its portfolio to be a mix of assets that would attract international institutional and high net worth investors, so the moment is right for the Company to look beyond and solidify the basis for the future. One of the priorities is the acquisition of some debt instruments and in particular certain debts from the Founder in exchange of further capital allocation. Such debt exhibits sustained performance and generates opportunities for profit-making actions through sustainability and/or conversions into unique projects, and/or restructurings, through the enforcement of securities, and/or in various other forms. The Company is in a unique position to ensure maximum efficiency with respect to these debt instruments especially by integrating its operations with those of its Founder. This will boost the competitive position and growth opportunities as well as the financial and regulatory environment in which the Company will operate. The Founder's portfolio fits perfectly with the rest of the Company's asset portfolio and its diversification. With the simultaneous additions of other selected liquid and illiquid assets, e.g., traded securities, properties in Greece, Romania and Cyprus (direct or indirect holdings), shares in private companies with different activities, etc., the Company is balancing its position to achieve its objective.

The Company continues its active role in searching for opportunities in the primary expected focus and sectors of investment such as technology and telecommunications, shipping, real estate with a focus on the hotel industry and healthcare while taking opportunistic views on other sectors and assets or businesses that are considered attractive on a risk/return basis by the Board of Directors.

The new opportunities will be funded through cash and cash equivalent resources the Company currently possesses as well as through potential exits from the current investments. The Company also intends to use leverage to enhance its returns so targeted financing from highly rated financial institutions will be used to fund future investments. Finally, the Company can issue new shares or debt to the market to raise additional resources to fund new opportunities.

Depending on the duration of the COVID-19 pandemic and related dislocation, and continued negative impact on economic activity, the Company might experience negative results and liquidity restraints and might incur impairments on its assets in 2022. In addition, although the consequences of the recent events in Ukraine cannot be estimated with reasonable certainty at this stage, it is expected that the rising fuel prices, the prices of other raw materials and rising inflation may adversely affect the Company's and the portfolio companies' revenue and costs of operation.

The exact impact on the Company's activities in 2022 cannot be precisely predicted, yet the Company continuously seeks new investment opportunities, monitors its investments and assesses the financial performance and profitability of its investments in order to take relevant actions, if so required, in a timely manner.

6.3.1. Transactions completed during the second half of 2022

Since 1 July 2022 and up to the date of this Admission Document, the Company has invested around €10.500.000 in new and existing investment opportunities in various types of shares in listed and non-listed companies and in investment funds.

In addition to the above, the following investments have been sold or assigned to/by the Company, following approval by the Board of Directors on 21 October 2022, at an arm's length and based on valuations performed by independent valuers with the consideration payable in kind, by issuing to the sellers ordinary shares of the Company at their nominal value of €0,50:

- an assignment agreement dated 21 October 2022 between the Founder as assignor and the Company as assignee in connection with a loan agreement dated 18 August 2022 (as amended) between the Founder as lender and Mutual International Investments Limited as borrower for the consideration amount of €6.009.386. The loan is assigned to the Company at par value based on a valuation performed by an independent valuer dated 31 October 2022, bears interest of 2,0% per annum and is repayable on 30 September 2024. Together with the loan agreement, the Company is also assigned the Founder's rights in a pledge over the shares of a real estate company owning assets in Athens and several mortgages over land properties in Cyprus. The value of the pledged assets covers the outstanding amount of the loan assigned. In addition, this loan is part of the Company's strategy to develop joint venture partnerships which will give the Company access to unique opportunities.
- an assignment agreement dated 21 October 2022 between the Founder as assignor and the Company as assignee in connection with an amended and restated investment loan agreement dated 22 March 2019 (as amended) between the Founder as lender and Mutual International Investments Limited as borrower for the consideration amount of €4.000.000. The loan is assigned to the Company at par value based on a valuation performed by an independent valuer dated 31 October 2022, is interest free and is repayable on 31 March 2024 at the discretion of the borrower either in cash and/or from the proceeds of a potential sale of K.P.R, a Zambian entity operating in the mining industry in Zambia and/or the listing of K.P.R in the AIM London Stock Exchange Market, in which case, listed shares will be awarded to the Company in exchange of the outstanding loan in the quantum of 30% of the listed shares at listing belonging to the borrower. Given Zambia's favourable mineral/copper mining investment environment and the market expectation for strong long-term demand combined with underinvestment in new metal and mineral supplies over the previous years, this is an investment with long-term revenue potential. The mining business will diversify the Company's portfolio even more as it gets exposure to this growing industry that will otherwise be very difficult to get access to. However, taking into account the Company's objective not to pursue risky investments, and in light of the evolving crisis and the current inflation in mineral markets (and therefore the debt's assessment as a risky investment), the Board has confirmed that the position of the said debt instrument upon assignment should not exceed 5,0% of the Company's entire capital which will ensure a prudent approach in the risk/return profile of the Company.
- an assignment agreement dated 21 October 2022 between the Founder as assignor and the Company as assignee in connection with a debt assignment agreement between inter alia the Founder as lender and Land Imob Development SRL as borrower dated 20 May 2019 (as amended) for the consideration amount of €1.000.000. The loan is assigned at par value based on a valuation performed by an independent valuer dated 31 October 2022, is interest free, the repayment date is automatically renewed annually and the current repayment date is 16 May 2023. Land Imob Development SRL is the owner of numerous apartments and parking spaces in prime locations in Romania (most of which are leased).
- a security purchase agreement between the Founder as seller and the Company as purchaser in connection with the sale of 150.000 shares in Dimand S.A. for the consideration amount of €2.160.000, which was determined based on a valuation dated 31 October 2022. Dimand S.A is a newly listed company in the Athens Stock Exchange which has bought many bank portfolios and the Company wishes to further explore future partnership in selected assets in Greece. The said company has a top-tier seasoned management team with solid, market leading

track record of delivered projects over the business cycles and with good investment strategy, backed up by secured pipeline, is well positioned to exploit increasing demand for sustainable high-quality assets.

- a share purchase agreement between the Company as purchaser and the Founder as seller in connection with the purchase of shares in Wilkins Services Limited¹ for the consideration amount of €4.055.000. Wilkins Services Limited is the owner of a prime location apartment in London, England. London is considered by the Directors as one of the best major city real estate markets that offer stability and liquidity, making it attractive for long-term investments and thus increasing the diversification and status of the Company's real estate portfolio. Pursuant to a valuation dated 17 November 2022 performed by an independent valuer, the said property's value is £7.250.000 and the NAV of Wilkins Services Limited is €4.055.000.
- security purchase agreements between Novac Limited², a private company limited by shares, duly registered and existing under the laws of Cyprus with registration number HE 416175 ("**Novac**") as seller and the Company as purchaser in connection with the purchase by the Company of Novac's (i) units in Community Cayman Fund LP for the consideration amount of €4.536.617, (ii) units in Finova Capital LP, a Cayman Islands exempted limited partnership which invests solely in crypto assets, for the consideration amount of €1.237.577, (iii) shares in LTAS Global Credit Fund Limited for the consideration amount of €4.776.890 and (iv) shares in BYJU'S CO for the consideration amount of €2.798.189. The aforesaid consideration amounts have been determined based on external valuations dated 31 October 2022. The management believes that the Company will benefit from the acquisition of such readily accessible units. The purchase of such liquid assets will enhance the Company's financial liquidity position as these can be converted into cash on short notice over the counter. The Company will have the option to either keep them in its portfolio or sell them at any time to use the proceeds to invest in other areas.
- a share purchase and loan assignment agreement between Zorviani Limited³, a private company limited by shares, duly registered and existing under the laws of Cyprus with registration number HE 316475 ("**Zorviani**") as seller and the Company as purchaser in connection with the purchase of 50% of the ordinary shares in Papa Air Investments Limited, as well as the preference shares held by Zorviani in Papa Air Investments Limited, and the assignment of the loan agreement between Zorviani as lender and Papa Air Investments Limited as borrower dated 03 December 2021 of \$250.000 (equivalent to €260.787 including accrued interest up to and as at 21 October 2022) for the total consideration amount of €9.000.000. Papa Air Investments Limited owns a large business jet - Gulfstream G550, the acquisition of which will enhance the flexibility, productivity, and time-efficiency of the Company's officers as they will be able to fly privately to the countries in which the Company has investments and potential business. In addition to that, the private jet will be utilised by third parties by chartering it out with the expectation of becoming a profitable business. Pursuant to a valuation dated 31 October 2022 from an external valuer, the jet's value is \$20.500.000. The loan assigned to the Company bears interest of 2,5% and is repayable on 31 December 2023.
- an assignment agreement between Zorviani as assignor and the Company as assignee in connection with the loan agreement dated 17 December 2020 between Zorviani as lender and Victoria Ventures S.A. as borrower, as amended by amendment no. 1 dated 20 October 2022, for the consideration amount of €3.419.885. The loan is assigned to the Company at par value based on a valuation performed by an independent valuer dated 31 October 2022, bears interest of 2,0% per annum and is repayable by 31 December 2023. The loan assigned is convertible into 50,0% of the share capital of Victoria Ventures S.A. which is the owner of a 3.300 m² property in a very prime position in Romania. This option to convert together with the acquisition of the Mykonos assets of Zorviani (for which the Company is currently in active discussions), the acquisition of MYKONOS ASSET MANAGEMENT S.M.S.A. (referred to below) and the acquisition of the securities over the assets of Fantasy Estate M.IKE (referred

¹ Wilkins Services Limited is 100% owned by the Founder.

² The beneficiary of Novac Limited is the Founder.

³ Zorviani Limited is 100% owned by the Founder.

to below) will strengthen the Company's position in the real estate sector in Romania and Greece.

- an assignment agreement dated 21 October 2022 between Zorviani as assignor and the Company as assignee in connection with a loan agreement dated 22 December 2021 between Zorviani as lender and Fantasy Estate M.IKE as borrower, for the consideration amount of €2.785.842. The loan is assigned to the Company at par value based on a valuation performed by an independent valuer dated 31 October 2022, bears interest of 4,0% per annum (unless repaid by 30 December 2022 when it becomes interest free) and repayable by 30 December 2024. Together with the loan, the Company will also be assigned the rights in various securities over several real estate assets of Fantasy Estate M.IKE. in Greece.
- a share exchange agreement between Vasileios Papalekas, a shareholder of the Company, as transferor and the Company as transferee in connection with the exchange by the Company of the shares of Vasileios Papalekas in MYKONOS ASSET MANAGEMENT S.M.S.A., for 30.600.000 shares (equivalent to €15.300.000) in the Company, pursuant to a valuation performed by an independent valuer dated 23 November 2022. MYKONOS ASSET MANAGEMENT S.M.S.A. gives the opportunity to the Company to add in its portfolio a company with unique assets that are adjacent to the biggest development of Mykonos currently owned by Zorviani, which is a development of a luxury hotel in Paraga Mykonos planned to be opened by April 2024. Zorviani and the Company are already in active discussions with respect to the acquisition by the Company of Zorviani's Mykonos assets and the acquisition of the shares in MYKONOS ASSET MANAGEMENT S.M.S.A. will provide leverage to the Company and strengthen its negotiating position with regard to those discussions. Given the recent acquisition by the Company of minority stake in MHV and the discussions with Zorviani regarding the purchase by the Company of Zorviani's assets in Mykonos, the acquisition by the Company of MYKONOS ASSET MANAGEMENT S.M.S.A. will further strengthen the Company's position in the hotel industry and the resort scenery in Cyprus and Greece.
- a share purchase agreement dated 21 October 2022 between the Company as seller and Papaseas Maritime Limited⁴, a private company limited by shares, duly registered and existing under the laws of Cyprus with registration number HE 414788, ("**Papaseas**") as purchaser in connection with the sale of the Company's shares in Sea Velvet Holding S.A. for the consideration amount of €73.000.000 as agreed between the buyer and the seller, (ii) an assignment agreement between the Company as assignor and Papaseas as assignee in connection with a loan facility agreement between the Company as lender and Capetan Ioannis Holdings S.A. as borrower dated 29 March 2021, for the consideration amount of €3.136.963, and (iii) an assignment agreement between the Company as assignor and Papaseas as assignee in connection with convertible loan agreements between the Company as lender and Ocean Shipping Holding S.A. as borrower dated 20 November 2020, as supplemented by first supplemental agreement dated 12 February 2021 for the consideration amount of €2.284.344 and between the Company as lender and Ocean Shipping Holding S.A. as borrower dated 12 April 2021, for the consideration amount of €1.697.756. From the above transactions with Papaseas, a total amount of €80.119.063 was receivable by the Company as at 31 October 2022, out of which, an amount of €15.119.063 has been received up to the date of this Admission Document, and the remaining should be repaid to the Company no later than 31 December 2023. The Company was engaged in shipping activities mainly through two entities, i.e., Sea Velvet Holding S.A. and Freeway Success S.A. Even though Freeway Success S.A. is a ship-holding company, participating in the share capital of ship-owning companies, whose vessels are managed by ship management companies. Over the years, Sea Velvet Holding S.A. has acquired minority stakes in numerous individual vessels. This has become cumbersome for the Company whose intention is not to become a shipping management company. Given the discussions between the Company and the Founder, this agreement will be lucrative for the shareholders of the Company.

Other than the assignment of loans presented above, the Company has not provided any material new loan facilities during the aforesaid period and up to the date of this Admission Document.

⁴ The beneficiary of Papaseas Maritime Limited is the Founder.

All the transactions completed by the Company since 1 July 2022 and up to the date of this Admission Document will have an impact on the NAV of the Company of €119.117.857 on a standalone basis.

Further to the above, on 30 November 2022, the Company established New Lutionar Limited, a wholly owned subsidiary registered in Cyprus, by way of subscribing 100% of its share capital. The issued share capital of the aforesaid subsidiary is 1.000 ordinary shares of €1,00 each.

6.3.2. Transactions in progress

On 20 October 2022 the Company entered into an agreement for the acquisition of 100% of the shares in Ascetico Limited, a company that owns 12,5% of MHV Mediterranean Hospitality Venture Limited ("**MHV**"). By acquiring 12,5% of MHV, the Company will effectively strengthen its position in the real estate sector and specifically in the hotel industry, an area that the Company is looking to expand and invest further. The consideration for the transaction is €45.000.000 of which €35.000.000 was already paid as prepayment and the rest is payable as soon as possible, and in any case no later than 15 October 2023. The transaction will be completed and the Company will obtain control of Ascetico Limited once certain conditions are met including but not limited to the repayment of the remaining €10.000.000. The Company is also in active discussions with an affiliate company (being more than 51,0% owned by the same shareholder) to acquire a further 42,5% of MHV becoming the majority shareholder and obtaining control enhancing the strategic decision to focus in hospitality sector. The Company is currently looking the synergies that will occur with the said transaction and assessing the transaction process and economics of such deal.

On 21 October 2022 the Board of Directors approved the acquisition of 100% shares in Wilkins Services Limited for the consideration amount of €4.055.000. The Company has entered into a purchase agreement and paid the consideration amount by issuing the corresponding equity capital to the Founder. The implementation of the acquisition currently depends on the fulfilment of some conditions subsequent to the sign off of the purchase agreement.

Following the completion of the abovementioned transactions, both Ascetico Limited and Wilkins Services Limited will become wholly owned subsidiaries of YODA PLC.

6.4. ADJUSTED FINANCIAL POSITION

The following tables represent the Company's standalone and consolidated financial position as at 31 October 2022, adjusted to reflect the transactions which have been approved by the Board of Directors on 21 October 2022 and have been completed as of the date of the Admission Document, as described in Section 6.3 – "*Prospects*". It is noted that the below figures and entries are based on management records and have not been reviewed nor audited.

Basis of preparation

The adjusted statement of financial position of the Company has been prepared based on the interim condensed financial statements for the six-month period ended 30 June 2022, with readily available information at the time of preparation as seen by the management on a monthly basis, and by applying the same accounting policies, methods of computation and presentation as in the most recent annual audited financial statements and the interim condensed financial statements for the six-month period ended 30 June 2022, except as mentioned below.

It is noted that the investment in Freeway Success S.A. has been included at cost as at the time of preparation of the adjusted consolidated statement of financial position there were not available information required for the utilisation of the equity method for consolidation purposes.

The adjusted statement of financial position has been prepared based on assumptions adopted and agreed by the Board of Directors, which is solely responsible for the preparation, presentation and accuracy of the below figures. It is noted that the figures presented below may not sum up precisely due to rounding.

Standalone Statement of Financial Position as at 31 October 2022 (as adjusted)

	30 June 2022 (reviewed) €	Adjustments due to transactions €	Other operational adjustments €	31 October 2022 Adjusted €
ASSETS				
Non-current assets				
Investments in subsidiaries.....	-	24.039.213 ⁽¹⁾	-	24.039.213
Investments in associates.....	44.488.139	(28.665.416) ⁽²⁾	-	15.822.723
Financial assets at fair value through other comprehensive income.....	79.528.409	13.349.273 ⁽³⁾	(19.659.630) ⁽³⁾	73.218.052
Loans receivable.....	44.700.426	10.356.837 ⁽⁴⁾	(11.051.971) ⁽⁴⁾	44.005.292
Receivables.....	-	65.000.000 ⁽⁵⁾	-	65.000.000
Total Non-current assets.....	168.716.974	84.079.907	(30.711.601)	222.085.280
Current assets				
Receivables.....	3.166.414	15.119.063 ⁽⁵⁾	2.437.906	20.723.383
Loans receivable.....	20.922.063	-	12.764.232	33.686.295
Prepayments.....	-	4.055.000 ⁽⁶⁾	20.000.000 ⁽⁶⁾	24.055.000
Financial assets at fair value through other comprehensive income.....	-	-	29.011.038 ⁽³⁾	29.011.038
Financial assets at fair value through profit or loss.....	4.777.445	2.160.000 ⁽⁷⁾	(4.777.445)	2.160.000
Cash and cash equivalents.....	3.911.702	-	2.510.018	6.421.720
Total Current assets.....	32.777.624	21.334.063	61.945.749	116.057.436
TOTAL ASSETS.....	201.494.598	105.413.970	31.234.148	338.142.716
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital.....	65.604.010	101.079.386 ⁽⁸⁾	25.719.000	192.402.396
Reserves.....	33.864.541	-	(620.000)	33.244.541
Retained earnings.....	8.797.241	32.939.471 ⁽⁹⁾	(40.000.000) ⁽⁸⁾	1.736.712
Total equity.....	108.265.792	134.018.857	(14.901.000)	227.383.649
Non-current liabilities				
Borrowings.....	92.010.651	-	(92.010.651)	-
Total Non-current liabilities.....	92.010.651	-	(92.010.651)	-
Current liabilities				
Trade and other payables.....	680.856	-	13.019.874	13.700.730
Bank overdraft.....	9.585	-	(9.585)	-
Borrowing.....	-	-	97.036.542	97.036.542
Other financial liabilities.....	380.000	-	(380.000)	-
Current tax liabilities.....	147.714	-	(125.920)	21.794
Total Current liabilities.....	1.218.155	-	109.540.911	110.759.066
Total liabilities.....	93.228.806	-	17.530.260	110.759.066
TOTAL EQUITY AND LIABILITIES.....	201.494.598	134.018.857	2.629.260	338.142.716

Notes to the Standalone Statement of Financial Position as at 31 October 2022 (as adjusted)

- Investments in subsidiaries increased by €24.039.213 due to (i) the acquisition of MYKONOS ASSET MANAGEMENT S.M.S.A. through a share exchange agreement between the Company and Mr. Vasileios Papalekas for €15.300.000, and (ii) the acquisition of 50,0% of the ordinary shares of Papa Air Investments Limited, as well as the preference shares held by Zorviani in Papa Air Investments Limited for €8.739.213.

2. Investments in associates decreased by €28.665.416, from €44.488.139 as at 30 June 2022 to €15.822.723 as at 31 October 2022, due to the sale of the investment in Sea Velvet Holding S.A. for €73.000.000 decided on 21 October 2022 and completed on 1 November 2022. Up to the date of this Admission Document, the Company received €8.000.000 out of the €73.000.000 and the remaining amount is receivable by the Company no later than 31 December 2023.
3. The net decrease of €6.310.357 in the non-current financial assets at fair value through other comprehensive income relates to (i) the increase of financial assets at fair value through other comprehensive income of €22.700.681 due to (1) the purchase of units in Community Cayman Fund LP for €4.536.617, (2) the purchase of units in Finova Capital LP for €1.237.577, (3) the purchase of shares in LTAS Global Credit Fund Limited for €4.776.890, (4) purchase of shares in BYJU'S CO for €2.798.189 and (5) investments in other financial assets for €9.351.408 acquired by the Company since 30 June 2022, and (ii) the reclassification of financial assets at fair value through other comprehensive income amounting to €29.011.038 from non-current assets to current assets.
4. The net decrease of €695.134 in loans receivable relates to (i) increase of loans receivable by €17.475.900 due to (1) the assignment of loans for the amount of €11.009.386 by the Founder to the Company and (2) the assignment of loans for the total amount of €6.466.514 by Zorviani to the Company, relating to the loans to Victoria Venture S.A. (€3.419.885), Fantasy M.IKE (€2.785.842) and Papa Air Investments Limited (€260.787), and (ii) the decrease of loans receivable by €18.171.034 due to (1) the assignment of loans by the Company to Papaseas for the total amount of €7.119.063, relating to two loans to Ocean Shipping Holding S.A. for €3.982.100 and a loan to Capetan Ioannis Holdings S.A. for €3.136.965 and (2) the reclassification of a loan granted to a third party amounting to €11.051.971 from non-current assets to current assets.
5. Receivables increased from €3.166.414 as at 30 June 2022 to €85.723.383 as at 31 October 2022, mainly due to the sale of the investment in Sea Velvet Holding S.A. and the assignment of the loans granted by the Company to Capetan Ioannis Holdings S.A. and Ocean Shipping Holding S.A. to Papaseas Maritime Limited. As at 31 October 2022, Papaseas Maritime Limited owed €80.119.063 to the Company, out of which the amount of €15.119.063 has been received during November 2022. The remaining amount is due to be paid by Papaseas until 31 December 2023.
6. The Company made payments in advance for the amount of €24.055.000 relating to the acquisition of Ascetico Limited and the purchase of 100% shares in Wilkins Services Limited. An additional prepayment of €15.000.000 relating to the acquisition of Ascetico Limited was made in November 2022.
7. Financial assets at fair value through profit or loss increased by €2.160.000 due to the purchase of 150.000 shares in DIMAND S.A. from the Founder.
8. Share capital increased by €126.798.386 (i.e. by 253.596.772 shares), from €65.604.010 as at 30 June 2022 to €192.402.396 as at 31 October 2022, due to (i) issue of 6.060.000 ordinary shares at par to Yoda Holdings Limited in July 2022 for €3.030.000, (ii) issue of 5.378.000 ordinary shares at par to 11 new shareholders in September 2022 for €2.689.000, (iii) issue of 40.000.000 ordinary shares at par to Yoda Holdings Limited in October 2022 for €20.000.000, (iv) issue of 22.018.772 ordinary shares at par to Mr. Ioannis Papalekas from the assignment of loans for the total amount of €11.009.386, (v) issue of 4.320.000 ordinary shares at par for the purchase of the shares in DIMAND S.A. for €2.160.000, (vi) issue of 30.411.454 shares at par to Zorviani from the assignment of loans and purchase of Papa Air shares for the total consideration of €15.205.727, (vii) issue of 26.698.546 ordinary shares at par to Novac in relation to the purchase of various securities for €13.349.273, (viii) issue of 30.600.000 ordinary shares at par to Mr. Vasileios Papalekas in return of the acquisition of shares in MYKONOS ASSET MANAGEMENT S.M.S.A. for €15.300.000, (ix) issue of 8.110.000 ordinary shares at par for the acquisition of Wilkins Services Limited for €4.055.000, and (x) issue of 80.000.000 shares at par as scrip dividend to the shareholders of the Company corresponding to €40.000.000.
9. The increase in retained earnings is mainly due to the gain of €44.334.584 from the disposal of Sea Velvet Holding S.A.

Consolidated Statement of Financial Position as at 31 October 2022 (as adjusted)

	31 October 2022
	Adjusted
	€
ASSETS	
Non-current assets	
Investments in associates.....	16.081.020
Investment property.....	16.700.000
Fixed assets - Aircraft.....	17.515.657
Financial assets at fair value through other comprehensive income...	73.218.052
Loans receivable.....	44.005.292
Receivables.....	65.000.000
Total Non-current assets.....	232.520.021
Current assets	
Receivables.....	20.958.664
Loans receivable.....	33.428.513
Prepayments.....	24.559.704
Financial assets at fair value through other comprehensive income...	29.011.038
Financial assets at fair value through profit or loss.....	2.160.000
Deferred tax asset.....	499.982
Cash and cash equivalents.....	6.421.720
Total Current assets.....	117.039.621
TOTAL ASSETS.....	349.559.642
EQUITY AND LIABILITIES	
Capital and reserves	
Issued capital.....	192.402.396
Reserves.....	33.244.541
Retained earnings.....	2.009.164
Non-controlling interest.....	8.739.213
Total equity.....	236.395.314
Non-current liabilities	
Borrowings.....	-
Total Non-current liabilities.....	-
Current liabilities	
Trade and other payables.....	13.700.730
Borrowing.....	97.293.825
Current tax liabilities.....	48.664
Deferred tax liability.....	2.121.109
Total Current liabilities.....	113.164.328
Total liabilities.....	113.164.328
TOTAL EQUITY AND LIABILITIES.....	349.559.642

7. RISK FACTORS

Any investment in the Company's shares is subject to a number of risks and uncertainties that need to be taken into consideration by potential investors.

Accordingly, prospective investors should carefully consider all of the information set out in this Admission Document, including the risks described below, prior to making any investment decision. If any of the following risks were to occur, the Company's business, financial condition, net operating income, results of operations, ability to pay distributions and prospects could be materially adversely affected. The value of the ordinary shares could also decline, and investors could lose all or part of the value of their investment.

The following is a non-exhaustive list or explanations of risks which the Company's shareholders and potential investors may face when making an investment in the Company's ordinary shares and should be used as guidance only. Additional risks and uncertainties which are currently unknown to the Company or its present and future portfolio companies, or that the Company or its present and future portfolio companies do not currently consider to be material, may also have a material adverse effect on its and their business, financial condition, results of operations and prospects, and could negatively affect the value of the ordinary shares.

Investors and prospective investors should consult their financial, legal and tax advisors to review carefully the risks associated with an investment in the ordinary shares of the Company.

The risks and uncertainties described below are related to the Company's activities, are considered to be material by the Board of Directors, are based on information known at the date of this Admission Document and are not set in any order of priority.

7.1. RISKS RELATING TO THE COMPANY

The Company has a largely unfettered right to determine which investments to make, how those investments are structured whether or not it and its present or future portfolio companies will incur indebtedness and/or give credit support in connection therewith

The Company has a largely unfettered right to determine which investments to make, how those investments are structured (for example through wholly owned subsidiaries, joint ventures, minority positions etc.) and whether or not it will incur indebtedness and/or give credit support (such as guarantees and security) in connection therewith. The same is applicable to any subsidiary the Company has or may bring into existence in the future. The Company cannot guarantee that it will be able to generate enough cash flow from operations to service its debt obligations. The degree to which the Company will be leveraged following the admission could have important consequences for shareholders, including, but not limited to the fact that incurring indebtedness may:

- make it more difficult for the Company to satisfy its obligations with respect its other debt and liabilities;
- make the Company vulnerable to, and reduce its flexibility to respond to, adverse economic and/or industry conditions;
- require the Company to dedicate a substantial portion of its cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures or other general corporate purposes;
- limit the Company's flexibility in planning for, or reacting to, changes in its business and the competitive environment and industry in which it operates;
- place the Company at a competitive disadvantage compared with its competitors that are not as highly leveraged;
- limit the Company's ability to borrow additional funds or raise equity capital in the future and increase the cost of any such additional financing; and
- restrict or limit the Company's ability to make distributions to its shareholders and/or significantly affect the value of the equity in the Company.

Any of these or other consequences or events could have a material adverse effect on the Company's ability to satisfy its debt obligations. The Company's ability to make payments on and refinance its indebtedness and fund working capital, capital expenditures and other expenses will depend on its future operating performance and ability to generate cash from operations. Its ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative, and regulatory factors and other factors that are beyond its control. The Company may not be able to generate sufficient cash flow from operations nor obtain enough capital to service its debt or fund planned capital expenditures.

In the event of any foreclosure, dissolution, winding-up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceeding ("insolvency" or any "insolvency proceeding") of the

Company, the ordinary shares will be subordinated to secured and unsecured debt of the Company and any other claims mandatorily preferred by law. Furthermore, in the event of any insolvency of any of the Company's portfolio companies, holders of such portfolio companies' indebtedness, including holders of third-party debt which such portfolio companies have guaranteed, and trade creditors of such portfolio companies, will generally be entitled to payment of their claims from the assets of those portfolio companies before any assets are made available for distribution to those portfolio companies' parent entities. As such, the ordinary shares will be structurally subordinated to existing and future secured and unsecured creditors (including trade creditors), preference shareholders (if any) of, and holders of claims mandatorily preferred by law against the Company or other portfolio companies through which the Company invests.

As the Company has an unfettered ability to structure how it invests, the Company may, but is not required to exist, as a holding company and therefore be completely dependent on cash flow from its operating portfolio companies to service their indebtedness and other obligations. Moreover, if the Company operates as a holding company the Company would have no revenue generating operations of its own, and therefore the Company's cash flow and ability to service its indebtedness and other obligations will depend primarily on the operating performance and financial condition of its operating portfolio companies. The operating performance and financial condition of the Company's operating portfolio companies and the ability of such portfolio companies to provide funds to the Company by way of interest payments, distributions will also be affected by the contractual obligations of such portfolio companies, applicable laws, and regulations (including, without limitation, corporate benefit and exchange control laws and regulations), tax regimes and the approach of the directors of such portfolio companies. This may mean that, even where a portfolio company has cash or other assets that could be distributed to the Company (and, in turn, to ordinary shareholders), it may not be possible, practicable or cost effective to make any such distributions.

Due to the unpredictability of the above factors, there is a risk that the Company may lack sufficient cash to service its debt and sustain its operations. If the Company's future cash flows from operations and other capital resources are insufficient for the Company to pay its obligations as they mature or to fund liquidity needs of the Company and its portfolio companies, the Company and its portfolio companies may, among other things be forced to:

- reduce or delay business activities and capital expenditures;
- sell assets and/or liquidate investment positions;
- obtain additional debt or equity capital;
- restructure or refinance all or a portion of their debt on or before maturity; or
- forego opportunities such as acquisitions of other businesses.

There can be no assurance that any of these alternatives can be accomplished on a timely basis or on satisfactory terms, if at all. In addition, the terms of the Company's and its portfolio companies' existing and future debt may limit their ability to pursue any of these alternatives.

Furthermore, the Company's and its portfolio companies' ability to comply with these covenants and restrictions may be affected by events beyond their control. These include prevailing economic, financial and industry conditions. If the debt under any material financing arrangement that the Company enters into were to be accelerated, the Company's assets may be insufficient to repay its debt in full. Borrowings under other debt instruments that contain cross-acceleration or cross-default provisions also may be accelerated or become payable on demand. In these circumstances, the Company's assets may not be sufficient to repay in full that indebtedness and its other indebtedness then outstanding.

The terms and conditions on which future funding or refinancing for the Company and its portfolio companies may not be acceptable, or funding and refinancing may not be available at all, which in the most severe cases could materially and adversely affect the Company's business, results of operations and financial condition.

The Company is incorporated under the laws of Cyprus. Generally, insolvency laws in Cyprus could negatively affect the ability of holders of the ordinary shares to enforce their rights under them or to receive a return on them.

Subject to the qualifications set out below, the commencement of insolvency proceedings against a Cyprus entity will not affect the validity of the security granted by it to the creditor (the "secured creditor"), and the secured creditor will be entitled to preferential satisfaction, but only out of the proceeds of the realisation of the security interest. Ordinary creditors (other than secured creditors) shall have no right or priority in the proceeds emanating from the realisation of the secured interest except where there is a balance after the satisfaction of the debt of the secured creditor. Non-secured creditors with preferential debts, being ordinary creditors, whose debts are specified in Sections 202AB and 300 of the Cyprus Companies Law, have priority over other unsecured liabilities.

Under Section 202AB of the Cyprus Companies Law, the costs, and expenses of an examiner of an insolvent company who is appointed by the court pursuant to Section 202A of the Cyprus Companies Law, shall be paid in priority to all other debts of that company. Additionally, liabilities certified as being properly incurred by the insolvent company to which an examiner has been appointed shall be paid in full in priority before any other claim, including winding up expenses and the remuneration of any liquidator and a claim secured by a floating charge but after any claim secured by any other encumbrance of a fixed nature or a pledge under any compromise or scheme of arrangement or in any receivership or winding up of the insolvent company.

Under Section 300 of the Cyprus Companies Law, the following debts shall be paid in priority to all other debts of an insolvent company (other than costs and expenses of the liquidation, including the liquidator's remuneration):

- local rates, government taxes and dues from the company;
- wages or salaries due to persons in the employment of the company;
- compensation payable by the company to its employees for personal injuries sustained in the course of their employment; and
- accrued holiday remuneration payable to the employees of the company.

Moreover, under the Cyprus Companies Law, any conveyance, certain transactions may be deemed a fraudulent preference and be invalid if performed within six months before the commencement of a company's winding procedure.

Due to the illiquid nature of many of the investments that the Company may acquire, the management is unable to predict with complete certainty what the exit strategy will ultimately be for any given position. Because of the Company's focus on investing in unlisted companies that are seeking to go public, the Company's ability to exit from investments or realize gains may also be heavily impacted by the health of the IPO and special purpose acquisition company markets, as well as the appetite for public offerings generally. Accordingly, there can be no assurance that the Company will be able to realize any gains from such investments in a timely manner. Consequently, the timing of cash distributions to investors is uncertain and unpredictable. Exit strategies that appear to be viable when an investment is initiated may be precluded by the time the investment is ready to be realized due to economic, legal, political, or other factors. The Company may be prohibited by contract or other limitations from selling certain securities for a period of time which may mean that the Company is unable to take advantage of favourable market prices. Such inability to exit investments in an optimal or timely manner could adversely affect the financial condition and result of operations. Furthermore, the Company may hold non-controlling interests in certain portfolio companies and, therefore, may have a limited ability to protect its interests in such companies and to influence such companies' management. In addition, the Company may invest alongside financial, strategic, or other third-party co-investors (including any group companies) through joint ventures or other entities which may have larger or controlling ownership interests in such entities or portfolio companies. In such cases, the Company will rely significantly on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Company is not affiliated and whose interests may at times conflict with the interests of the Company. To the extent such existing management and

directors take actions inconsistent with the interests of the Company, the financial condition and results of operations may be adversely affected.

The Company is exposed to risks beyond its control

External risks arise from economic, regulatory, legal, and political reasons, changes in policy or the competitive environment, or other external factors, any of which could have a negative impact on the Company's operating environment and financial performance. As discussed above, the Company is an investment company that operates in many industries and geographies. Changes in local taxation legislation or practice or other regulatory changes might affect the expected tax or regulatory position of the Company and have a negative impact on its operations or investment returns.

The performance of the Company and its underlying investment portfolio is also susceptible to fluctuations in a number of key economic and non-economic parameters. A substantial slowdown in economic growth and/or change in input costs, interest rates or foreign exchange rates in one or more of the key markets in which the Company operates could have an adverse impact on the performance of the Company or its investment portfolio. In particular, changes in input costs such as commodity or energy prices could have a similar impact.

The Company invests in new and emerging markets as part of its investment strategy. The legal and regulatory frameworks and capital markets in those jurisdictions may be less developed than in the other main geographical markets in which the Company invests. Unforeseen changes in such new or emerging markets could have an adverse impact on the value of existing investments or on the planned levels of investment, which could unfavourably affect returns.

The Company and its present or future portfolio companies may use derivative products to hedge, in whole or in part, one or more of such risks. However, there can be no assurance that such arrangements will be entered into or be available at all times when the Company wishes to use them or that they will be sufficient to cover the risk. It may not be possible to completely match hedging risks, which could limit the effectiveness of such products and increase the overall liabilities of the Company and its present or future portfolio companies. The Company will be exposed to the credit risk of the relevant counterparty with respect to relevant payments in connection with such arrangements.

The Company and its portfolio companies may also operate in multiple geographic markets. This exposes them to a number of risks, including:

- difficulties and costs relating to compliance with the different commercial and legal requirements of the markets in which they operate and the potential that such requirements could change to the Company's disadvantage;
- difficulties in staffing and managing international operations;
- government regulations or restrictions on foreign investments, particularly any preventing the Company or the portfolio companies from repatriating internationally derived revenue, or foreign tax structures that make repatriation prohibitively expensive, which could affect the ability to effectively reinvest or utilize such revenues in the Company's business; and
- other country risks, including the occurrence of political, social, or economic turbulence in such countries and regions, due to the outbreak of wars, conflicts, and terror attacks, the enactment of economic sanctions and the outbreak of communicable diseases.

The failure to successfully manage or address any of the above-listed risks could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is a recently formed entity and has limited operating or financial history. As a result, investors have only a very limited basis on which to evaluate the Company's ability to apply its investing policy and achieve its investment objectives

Although the members of the management team have significant investment experience, the Company was incorporated on 5 June 2019 and a significant portion of its investments have been made in the last 24 months. Therefore, there is only limited operating or financial information that investors can use to evaluate the Company, its prospects, the effectiveness of its investing policy or its ability to achieve its investment objectives. Companies in their initial stages of development present substantial business and financial risks and may suffer significant losses. While the Company has financial controls and reporting systems and procedures to support its governance, reporting and disclosure obligations as a publicly traded company, as a recently incorporated entity, these have yet to be tested and there is no certainty that they will function as designed in the long term. Any failure in managing its financial controls, reporting systems or procedures could have a material adverse effect on the Company's business, results of operations, financial condition, ability to pay distributions and prospects.

The Company's growth and its ability to apply its investing policy and achieve its investment objectives is dependent on the management team and highly skilled personnel

The success of the Company and its ability to apply its investing policy and achieve its investment objectives will depend, to a significant extent, on the efforts, skill and judgment of the management team. Together, the members of the management team possess investment, management, development, marketing, finance and administrative skills and experience that are important for the operation of the Company's business. The departure of any of such members from the Company without adequate replacement may have a material adverse effect on the Company's results of operations, financial condition, and business prospects. There can be no assurance that measures to attract and retain suitable employees and executives (including members of the management team) will be successful. The ability of the Company to meet its operational requirements and the future growth and profitability of the Company may be adversely affected by a lack of management personnel.

In addition, the Company's future success depends, in part, on its ability to continue to identify, hire, develop, motivate, and retain highly skilled personnel for all areas of the organisation. The Company's future performance depends on the continued support and continuing contributions of its management to execute its business plan and identify and pursue new opportunities. There can be no assurance that the Company would be able to maintain its culture if the composition of the management team were to evolve or individuals were to depart. Competition for suitably qualified individuals with the relevant expertise in the Company's industry is intense. The loss of the support of any of the Company's key personnel, the inability to attract, retain and integrate qualified personnel, or delays in hiring required personnel could significantly delay or prevent the achievement of the Company's development and strategic objectives, and could negatively impact the Company's business, results of operations, financial condition and prospects. In addition, to the extent the Company hires personnel from its competitors it may be subject to allegations that they have been improperly solicited, that they have divulged proprietary or other confidential information, or that their former employers own their investment ideas or other work product. This also means that the Company may be unable to prevent its competitors from benefiting from the expertise of such former employees, which could materially and adversely affect the Company's business and results of operations.

There can be no assurance that the management team will be successful in implementing the investing policy or achieving the Company's investment objectives

No assurance can be given that the implementation of the investing policy, and achieving the Company's investment objectives, will be successful under current or future market conditions. The investment approach employed by the Company may be modified and altered from time to time, so it is possible that the approach adopted by the Company to implement the investing policy and

achieve the Company's investment objective in the future may be different from the approach currently used and disclosed in this document.

The past or current performance of the management team is not a guarantee of the future performance of the Company

The past performance of the management team or of the investments for which they had responsibility should not be construed as an indication of the future performance of any investments recommended, directly or indirectly, by the members of the management team to the Board of Directors. There are differences between the circumstances referable to the investments for which they had responsibility and the circumstances that will be applicable to the Company including, among other things, the significant differences in economic conditions. There are also differences between the circumstances referable to the investments made and/or managed by the management team and the circumstances which will be applicable to the Company (including, among others, the Company's listed status and significant differences in economic conditions). These differences may affect the ability of the Company to implement the investing policy and realise its investment objectives and could adversely impact the Company's net operating income, results of operations, financial condition, ability to pay distributions and business prospects.

Although the Company believes that the current economic environment has created acquisition opportunities, the Company expects there will be significant competition for some of these opportunities and there can be no assurance that the Company will identify sufficient suitable acquisition opportunities or that the Company will be successful in completing acquisitions that will allow the Company to achieve a return

The investing policy is dependent, to a significant extent, on the management team's ability to identify sufficient suitable acquisition opportunities. If the Company does not identify suitable acquisitions that correspond with the investing policy, the Company may not be able to invest its cash in a manner which accomplishes its investment objective. If the Company does identify suitable acquisition opportunities, there can be no guarantee that it will be able to execute acquisitions at a price or on terms that are consistent with its investment objectives or at all. In addition, if the Company fails to complete an acquisition which it has been pursuing for any reason, it may be liable for substantial transaction costs in relation to the due diligence it has performed, fees owed to advisors and other expenses.

The Company will compete with several entities for potential acquisitions. Compared with the Company, many of these competitors may be subject to less restrictive regulatory requirements, have longer operating histories, pre-existing relationships with the current or potential network or local regulatory authorities or greater financial, technical, and other resources, any or all of which may create competitive disadvantages for the Company with respect to acquisition opportunities. Some of these competitors may have a lower cost of capital and access to funding sources that are not readily available to the Company, which could allow them to respond more quickly to new or changing acquisition opportunities. In addition, some of these competitors may have a higher risk tolerance or different risk assessments or might have a different investment strategy or objectives for the relevant opportunities, which could allow them to justify paying a higher purchase price, or accepting less favourable terms, for a potential acquisition than the Company.

Some of these competitors may also have an advantage over the Company if, due to increased regulatory oversight arising from the continued stress in financial markets and the European economic environment or for other reasons, vendors favour more established companies or other entities over the Company. The Company can provide no assurances that the competitive pressure the Company will face will not have a material adverse effect on the Company's business, financial condition and results of operations or that it will be able to identify suitable and/or sufficient acquisition opportunities or that the Company will make acquisitions that are consistent with or as contemplated by the investing policy or that will generate the expected net operating income or positive returns for shareholders.

Even if the Company completes acquisitions, there is no assurance that its investment business plans for the relevant assets will be implemented successfully or, if implemented, that they will be effective in increasing the value of any assets acquired, maintaining, or increasing their cash flows or achieving the Company's investment objectives

The results of the Company's operations will depend on many factors, including (but not limited to) the availability of opportunities for the acquisition of investments, the availability of finance to achieve leverage, the performance of the management in managing and developing the Company's assets and other operational risks disclosed in this document and general market, political and economic conditions in the jurisdictions it operates or invests in. In particular, if the investment value and prices in the countries in which the Company intends to invest rise significantly before the funds are invested, the potential returns from investment, and therefore available to shareholders, may be less than those targeted by the Company.

The Company may be subject to liability following the disposal of assets

The Company may dispose of assets in certain circumstances and may be required to give representations and warranties about, and/or indemnities with respect to, those investments and to pay damages to the extent that any such representations or warranties turn out to be inaccurate and/or claims are made under such indemnities. The Company may become involved in disputes or litigation concerning such representations, warranties and indemnities and may be required to make payments to third parties as a result of such disputes or litigation. If the Company does not have cash available to conduct such litigation or make such payments, it may be required to borrow funds. Any such payments and borrowings to finance those payments, could have an adverse impact on the Company's ability to pay distributions or realise new investment opportunities. In addition, if the Company is unable to borrow funds to make such payments, it may be forced to sell further assets to obtain funds. There can be no assurance that any such sales could be achieved on satisfactory terms.

There may also be non-contractual sources of liability, such as actual or alleged breaches of laws or regulations and investigations concerning the same, in connection with the Company or its portfolio companies' period of ownership or having an interest in an asset or business. This could result in liabilities such as fines for the Company and/or its applicable portfolio company. It may not be possible to insure against such liabilities and even where successfully defended, the costs of so defending could be very material and reduce returns to investors as well.

The Company is reliant on the ability of the management teams of its underlying investments

The day-to-day operations of the entities or businesses in which the Company invests are the responsibility of the underlying management teams of those entities or businesses. There can be no assurance that the existing management team or any successor, is, or will be able to, monitor the performance of each investment or invest in businesses operated by strong management teams. Failure to do so could have a material adverse effect on the Company's performance and the value of the ordinary shares.

The Company faces risks in effecting operating improvements of its investments

In some cases, the success of the Company's investment objective may depend, in part, on the ability of the management to restructure and effect improvements in the operations of an entity or business in which the Company invests. The activity of identifying and implementing restructuring programmes and operating improvements at the investment-level entails a high degree of uncertainty. There can be no assurance that the management will be able to successfully identify and implement such restructuring programmes and improvements. Failure to do so could have a material adverse effect on the Company's performance and the value of the ordinary shares.

The due diligence that the Company has taken or intends to undertake in connection with each acquisition may not reveal all relevant facts with respect to any such acquisition and may not reveal liabilities which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects, and could negatively affect the value of the ordinary shares and the level of distributions

Prior to the recommendation to the Board of Directors, the management team intends to undertake a buyer due diligence as it deems reasonably practicable and appropriate, based on the facts and circumstances applicable to each potential acquisition. The objectives of the due diligence process will be (i) to identify material issues which may affect the Board of Directors' decision to approve an acquisition and (ii) to use the information provided for the purpose of the due diligence exercise as the basis for formulating its business plan in relation to the acquired assets. When conducting or overseeing due diligence and making an assessment regarding an acquisition, the management team will be required to rely on resources available to it, including public information and information provided by the vendor where such vendor is willing or able to provide such information. In certain circumstances, the management team may also retain third party advisors to assist it in its due diligence investigation. There can be no assurance that the due diligence undertaken with respect to any potential acquisition will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such acquisition or formulating business and restructuring strategies.

Furthermore, there can be no assurance regarding the adequacy or accuracy of the information provided during any due diligence exercise or that such information will be accurate and/or remain accurate in the period from the conclusion of the due diligence exercise until the completion of the proposed acquisition. The due diligence process is inherently subjective. As part of the due diligence process, the management team will make subjective assumptions, estimates and judgments based on limited information regarding the value, performance, and prospects of a potential acquisition opportunity. The Company can provide no assurances that any due diligence exercise will result in a successful acquisition. If the due diligence investigation fails to identify correctly material information regarding an acquisition opportunity, the Company may later be forced to write down or write off certain assets, significantly modify the restructuring or redevelopment plans for an acquired asset or incur impairment or other charges. Accordingly, any material write-off, impairment or other charges may adversely affect the Company's results of operations, financial condition and the level of distributable reserves.

The Company may hold a relatively concentrated portfolio

The Company may hold a relatively concentrated portfolio. Although the Company's investment policy is intended to achieve the diversification of the Company's investment portfolio, it is possible that a significant portion of the Company's investment portfolio will be concentrated within a small number of underlying companies, sectors and/or geographies. There is a risk that the Company could be subject to significant losses if any entity in which the Company has an investment (directly or indirectly) were to default or suffer some other material adverse change, or if any sector or geography in which the Company has substantial investments were to experience difficulties. The same may be true if the concentration of the portfolio means that the Company or one of its portfolio companies' is materially exposed to a particular counterparty, customer or supplier, the default of which could negatively impact the return on the ordinary shares.

Any deterioration in the business environment of the portfolio companies could adversely affect the financial results of the Company and its ability to meet its obligations towards the lenders and/or the shareholders.

The Company is vulnerable to risks related to non-controlling investments and investments with third parties

The Company holds a non-controlling interest in many of its investments and, therefore, may have a limited ability to protect its position in such investments. The Company invests alongside other companies and may co-invest with third parties through joint ventures or other feeder entities in which the Company is a minority or passive investor or limited partner. While in such scenarios, the Company may benefit from the control or influence exercisable by an investment manager or

partner, such investments may involve risks in connection with such third-party involvement, including the possibility that a co-investor or other third-party co-venturer may have financial, legal or regulatory difficulties resulting in a negative impact on such investments, may have economic or business interests or goals that are inconsistent with those of the Company or may be in a position to take (or block) action in a manner contrary to the Company's investment objective. In addition, where such non-controlling investments involve a third-party management group, such third parties may receive compensation arrangements relating to such investments, including incentive compensation arrangements, which create different or conflicting incentives from those of the Company. These factors may affect the Company's ability to successfully carry out its investment objective, which could have a material adverse effect on the performance of the Company.

The risk of litigation is inherent in the Company's operations

In the ordinary course of the Company's business, which includes investing in regulated businesses, legal actions, claims against and by the Company and arbitrations involving the Company may arise. The Company may be subject to litigation and enquiries/investigations from/by regulators, lenders, borrowers or third parties, including visitors to their properties. The publicity associated with, and the outcome of, such claims, arbitrations and legal proceedings could have a material adverse effect on the Company's business, financial condition and results of operations and could negatively affect the value of the ordinary shares and the level of distributions.

Catastrophic events, terrorist attacks or acts of war can adversely affect the Company

Catastrophic events, terrorist attacks or acts of war, such as the war in Ukraine, may lead to an abrupt interruption of business activities and the Company and the portfolio companies may be subject to losses resulting from such disruptions. If the business continuity plans of the Company are not available or adequate, losses may increase further. In addition, such events and the responses to those events may create economic and political uncertainties which could have an unanticipated material adverse impact on the markets in which the Company operates and on the operations of the Company. Such matters may not be insurable or may be insurable at a price that the Company considers to be unfeasible. The absence of insurance could reduce returns on the ordinary shares.

Fluctuations in the Company's financial results from period to period may prevent steady earnings growth or affect the Company's ability to raise capital and plan the Company's budget or business activities

The Company is likely to experience significant variations in revenues and profits from period to period. These variations can generally be attributed to the fact that, at times, the Company's revenues and profits are earned upon, or over a period following, the investment exit or returns provided by the relevant investments. The Company's earnings can be adversely affected if any particular investment is not completed, either on time or at all, or if a particular investment cannot be exited within a particular period, or if the proceeds of the sale of such investment are not available for distribution. As a result, it may be difficult for the Company to report steady earnings growth, raise capital and plan the Company's budget and business activities on a period-to-period basis, which could materially adversely affect the Company's business, net operating income, financial condition, results of operations, prospects, the price of the ordinary shares and the level of distributions.

The preparation of the Company's financial statements requires it to make many estimates and judgments. Changes in assumptions behind these estimates and judgments may cause a material and adverse change in its financial condition or results of operations

The preparation of the Company's financial statements requires the Company to make many estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures of contingent liabilities. The Company bases its estimates on various assumptions that it believes to be reasonable under the circumstances, which form the basis of its judgments about the carrying values of assets and liabilities that are not readily apparent from other sources, such as active markets. Estimates and judgments made for a relatively new company, such as the

Company, are more difficult to make than those for a more mature company. In addition, estimates and judgments can be reasonable at the time when made but be incorrect and some risks may not be apparent or fully understood at the time the estimates and judgments are made. Accordingly, estimates and judgments are inherently uncertain, may prove to be incorrect and cannot be taken as a guarantee or assurance that the relevant estimate or judgment is or will be correct.

The Company may incur significant costs in maintaining an effective system of internal controls and, should the Company or its investments fail to maintain proper and effective internal controls, its ability to produce accurate financial statements on a timely basis could be impaired

Ensuring that the Company has adequate internal financial and accounting controls and procedures in place to produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. The Company's management team is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of its financial reporting and the preparation of financial statements. Testing and maintaining internal controls can divert the management's attention from other matters that are important to the operation of the Company's business. Following admission, the Directors anticipate that the management will be required to devote substantial time to new compliance initiatives and corporate governance practices, including maintaining an effective system of internal controls over financial reporting, which could divert their attention from the Company's business and achieving its growth strategy. As part of the Company's preparations for admission, the Company has incurred, and will continue to incur, increasing costs associated with operating as a publicly listed company with effective internal controls over financial reporting. If the Company fails to maintain adequate internal controls over financial reporting and is unable to produce accurate financial statements on a timely basis, investors could lose confidence in the reliability of its financial statements, which could cause the market price of the ordinary shares to decline and make it more difficult for it to finance its operations and growth.

Network security breaches could result in the loss of revenue and being held criminally or civilly liable

The Company and its portfolio companies rely on their systems and the security of their network for the secure transmission of confidential information, which is a critical element of the operations. Any breach of security (whether due to systems malfunction, unauthorised access being gained by persons who circumvent security or otherwise) could result in the current lenders or borrowers ceasing to do business with the Company and being held criminally or civilly liable, which, in turn, could have a materially adverse effect on the Company's reputation, business, financial condition and results.

Security breaches and attacks against the Company's and/or portfolio companies' technology systems, and any potentially resulting breach or failure to otherwise protect confidential and proprietary information, could damage the business' reputation and negatively impact the business, as well as materially and adversely affect the financial condition, results of operations and prospects of the Company and/or the portfolio companies

The Company's and portfolio companies' information technology systems will likely contain personal, financial, or other information pertaining to its stakeholders, among others, customers, consumers and employees. They could also contain proprietary and other confidential information related to the business of the target business, such as business plans, development initiatives and designs, sensitive contractual information, and other confidential information. Multiple companies in a wide variety of industries have recently been subject to security breaches resulting from phishing, whaling and other malware attacks as well as other attacks intended to induce fraudulent payments and transfers. To the extent that the Company, a portfolio company or a third party were to experience a material breach of its information technology systems that result in the unauthorised access, theft, use, destruction or other compromises of customers', consumers' or employees' data or confidential information stored in such systems or in fraudulent payments or transfers, including through cyberattacks or other external or internal methods, it could result in a material loss of revenues from the potential adverse impact on the Company's or portfolio company's reputation

and brand, the ability to retain or attract new customers, consumers and the potential disruption of the business and plans.

Such security breaches could also result in a violation of applicable privacy and other laws, and subject the Company and/or the portfolio companies to private consumer, business partner, or securities litigation and governmental investigations and proceedings, any of which could result in exposure to material civil or criminal liability. For example, the European Union adopted a new regulation that became effective in May 2018, called the General Data Protection Regulation (the "GDPR"), which requires companies to meet new requirements regarding the processing of personal data, including its use, protection and transfer and the ability of persons whose data is stored to correct or delete such data. The GDPR also confers a private right of action on certain individuals and associations.

Compliance with the GDPR and other applicable international privacy, cybersecurity and related laws can be costly and time consuming. Significant capital investments and other expenditures could also be required to remedy cybersecurity problems and prevent future breaches, including costs associated with additional security technologies, personnel, experts and credit monitoring services for those whose data has been breached. The investments in setting up and protecting information technology systems, which can be material, could materially adversely impact its results of operations in the period in which they are incurred and may not meaningfully limit the success of future attempts to breach such systems.

The Company is exposed to regulatory risk and the failure to manage this risk may have an adverse effect on it

Regulatory risk is the risk associated with changes in regulations or the law, or non-compliance or misinterpretation of the regulations or the law. The failure by the Company or its portfolio companies to manage their exposure to such risks could result in penalties, administrative fines, or other sanctions. The failure to manage the regulatory risks, could materially adversely affect the Company's business, financial condition, and results of operations.

Violation of applicable anti-corruption laws and regulations may have adverse effects on the financial condition and reputation of the Company and its portfolio companies

Conducting business on a worldwide basis requires the Company and the entities or businesses in which it invests to comply with the laws and regulations of various international jurisdictions including those of the UK and the U.S., and their failure to comply with these rules and regulations may expose both the Company and the entities or businesses in which it invests to liabilities. These laws and regulations may apply to companies, individual directors, officers, employees, and agents, and may restrict business operations, trade practices, investment decisions and partnering activities. In particular, the Company and the portfolio companies in which it invests may be subject to the U.S. Foreign Corrupt Practices Act 1977 (the "FCPA") and the United Kingdom Bribery Act 2010 (the "Bribery Act").

The FCPA and the Bribery Act generally prohibit companies and their intermediaries from authorising, promising, offering or making improper payments to government officials for the purpose of obtaining or keeping a business and/or other business benefits. If the Company or a portfolio company in which it invests is not in compliance with the FCPA, the Bribery Act or other laws governing the conduct of business with government entities (including local laws), it may be subject to criminal and civil penalties and other remedial measures, which could have a material adverse impact on its business, results of operations, financial condition and prospects. Any investigation of any potential violations of the FCPA, the Bribery Act or other anticorruption laws of the U.S., the UK or foreign authorities could also have a material adverse impact on the reputation of the Company, the entities or businesses in which it invests and their results of operations, financial condition and prospects. Furthermore, any remediation measures taken in response to such potential or alleged violations of the FCPA, the Bribery Act or other anticorruption laws, including any necessary changes or enhancements to the procedures, policies and controls of the Company and/or the entities or businesses in which it invests (including, where applicable, potential personnel changes and/or disciplinary actions), may materially adversely impact the business, results of

operations, financial condition and prospects of the Company and/or the portfolio companies. In addition, a violation or an alleged violation by a portfolio company may negatively impact the Company's own reputation, operations, financial condition and prospects which could in turn affect returns to the Company and the value of the ordinary shares.

The Company is exposed to tax risk and the failure to manage this risk may have an adverse effect on it

Tax risk is the risk associated with changes in taxation rates or law, or misinterpretation of the law.

The determination of the Company's provisions for taxes requires judgment and estimation. In the ordinary course of the business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Company cannot predict the form or timing of potential changes in taxation systems, but any newly enacted tax law could have a material adverse impact on the tax expense and cash flow. The Company, from time to time, expects to be subject to review and audit by tax authorities as well as subject to the prospective and retrospective effects of changing tax regulations and legislation. Although the Company will endeavour to ensure that calculations are reasonable, the ultimate tax outcome may materially differ from the tax amounts recorded in the financial statements and may materially affect the income tax provision, net income, or cash flows in the period or periods for which such determination and settlement is made. Furthermore, in countries and regions in which the Company or the portfolio companies conduct business activities, the introduction of or changes to tax laws or regulations or changes in their interpretations or enforcement or the incurrence of additional tax burdens due to differences of views with tax authorities could adversely affect the results of operations or financial position.

Failure to manage the risks associated with changes in the taxation rates or law, or misinterpretation of the law, could result in an increase in tax charges or the creation of additional tax liabilities and could materially adversely affect the Company's business, financial condition and results of operations.

The Company faces risks in connection with its sustainability efforts

The Company's success in addressing environmental, social and governance ("ESG") issues is important for its business. Failure of the Company, or any of the portfolio companies, to meet the expectations of investors and other key stakeholders with respect to ESG matters could negatively affect the Company's or the portfolio companies' businesses, which could have an adverse effect on the financial condition and results of operations.

The ongoing COVID-19 pandemic could adversely and materially impact the Company's business, financial condition, cash flows and results of operations

The ongoing COVID-19 pandemic, including the emergence of such new variants as Delta and Omicron and the sub-variants thereof, and the rapidly evolving reaction of governments, private sector participants and the public in an effort to contain the spread of COVID-19 (and its variants and sub-variants) and/or address its impacts have intensified and have had significant direct and indirect effects on businesses and commerce generally, including disruption of supply chains, employee bases and transactional activity, the price of oil, and significantly increased demand for certain goods and services, alongside decreased demand for others.

The extent and duration of the pandemic, the reactions of governments, private sector participants and the public to that pandemic and the associated disruption of business and commerce generally, and the extent to which these may impact the portfolio companies' and the Company's business, financial condition, cash flows and results of operations in particular, will depend on future developments which are highly uncertain and many of which are outside the Company's control and cannot be predicted with confidence. Such developments include the ultimate geographic spread and duration of the pandemic, the availability and effectiveness of vaccines for COVID-19, vaccine hesitancy, the extent and duration of a resurgence of the COVID-19 virus and its variant and sub-variant strains thereof, including the Delta and Omicron variants, new information which may emerge concerning the severity of COVID-19, the effectiveness and intensity of measures to contain

COVID-19 and/or address its impacts, and the economic impact of the pandemic and the reactions to it. Depending on their nature, duration, and intensity, such developments, among others, could have a significant adverse effect on the portfolio companies' and/or the Company's business, financial condition, cash flows, results of operations and could cause the NAV of the ordinary shares to decline and may exacerbate other risk factors disclosed elsewhere in this "Risk Factors" section.

Developments relating to the war in Ukraine may affect the Company's financial results

As a result of the developments in Ukraine and the surrounding areas starting from 24 February 2022, certain governments, and organisations, including the EU, have imposed sanctions on the Russian government and certain other persons.

The recent events in Ukraine, may have consequences for the economy in Cyprus, which cannot yet be predicted, but the main concern at the moment is the uncertainty mainly for the tourism and other sectors of the economy, the rising prices of fuel and other raw materials and rising inflation which adversely and materially impact the portfolio companies' and the Company's business, financial condition, cash flows and results of operations. While it is difficult to predict and/or estimate the impact of the war in Ukraine on the Company's business and financial position, the current conflict could adversely impact the Company's business, financial condition, cash flows and/or results of operations.

There are risks associated with transactions between the Company and the Founder or Founder companies.

It is expected that the Company will enter into transactions with the Founder or Founder companies. Although independent valuations of the assets in the said transactions may be obtained from external valuers and every effort will be made to be on arm's length, the price payable by the Company does not necessarily represent the price at which a third party would acquire or sell the interests comprising in each transaction.

7.2. RISKS RELATING TO THE COMPANY'S INVESTMENTS

7.2.1 Investments in Real Estate sector

The valuation of investments in real estate and related assets for which market quotations may not be readily available will require the Company and/or the independent valuers to make assumptions, estimates and judgments regarding a number of factors. Property valuation is inherently subjective and uncertain and based on assumptions which may prove to be inaccurate or affected by factors outside of the Company's control, and the Company may not be able to realise such values upon a disposal

The Company anticipates that some of the real estate investments that it has made or will make will be in the form of investments for which market quotations are not readily available. The valuation of real estate properties is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and, in the case of development land, the expectations regarding the cost and timing of that development and its ability to attract tenants. As a result, the valuations of real estate assets, will be subject to a degree of uncertainty and will be made on the basis of assumptions, which may not prove to be accurate, particularly in periods of volatility or low transaction volume in the real estate property market, as has recently been the case. The Board of Directors may be required to make good faith determinations regarding the fair value of these investments on an annual basis in connection with the preparation of the Company's financial statements and NAV determinations. These determinations will often be based on information provided by the independent valuer which, in turn, may be based on estimates or assumptions made by it in relation to the value of the underlying real estate assets or unlisted real estate operating companies for which there may not be a liquid market.

In determining the fair market value of a real estate asset, the Board of Directors and/or the independent valuer is required to make certain assumptions. These assumptions include, but are not

limited to, such matters as the existence of willing buyers and sellers in uncertain market conditions, titles, the condition of structures and services, deleterious materials, plant and machinery, goodwill, environmental matters, areas, statutory requirements and planning, leasing, and other information. Such assumptions may prove to be inaccurate. Incorrect assumptions could negatively affect the value imputed to real estate assets and thereby have a material adverse effect on the Company's return on investment. This is particularly true in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked. In addition, these valuations speak only as of their valuation dates, and market volatility since those dates may cause significant declines in the value of real estate assets.

There is no single standard for determining fair value in good faith and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived.

Fair values may be established using various approaches, such as discounted cash flow, a market comparable approach that is based on a specific financial measure (such as rental income, net operating income, value per square metre or other metrics) or, in some cases, a cost basis or liquidation analysis. Because valuations, and in particular valuations of real estate opportunistic investments for which market quotations are not readily available, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, determinations of fair value by the Board of Directors or an independent valuer may differ materially from the values that would have resulted if a liquid market had existed. Even if market quotations are available for the Company's investments, such quotations may not reflect the value that the Company would actually be able to realise because of various factors, including the illiquidity of the underlying assets, the speculative nature of real estate investments, future market price volatility or the potential for a future loss in market value based on poor real estate market conditions. The NAV per ordinary share of the Company could be adversely affected if the value of investment that the Board of Directors or the independent valuer records is materially higher than the value that is ultimately realised upon the disposal of the investment and changes in value attributed to the investment from time to time may result in volatility in such NAV per ordinary share.

There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

Income from, and the value of, the real estate assets and the performance of the investments will be subject to fluctuations in economic and real estate market conditions beyond the control of the Company

The Company will be subject to the risks of ownership, repositioning, development, and management of real estate in the markets in which the Company invests. The Company's investing policy does not restrict investments to any country or any real estate sector. As a result, the performance of the Company will be influenced by the economic conditions of the countries in which the Company invests.

There is a risk that fiscal and monetary policies designed to stabilise economic conditions may not be effective or may worsen the situation. In particular, governments have agreed to impose or have imposed initiatives designed to manage their economies, at the regional level and within each country. Significant reductions in public spending resulting from these initiatives may present a threat to economic recovery or growth and adversely affect the state of the real estate market. The precise nature of all the risks the Company faces as a result of the current global financial and economic conditions cannot be predicted and many of these risks are beyond the control of the Company. Continuing declines in any of the economies wherein the Company invests could have a negative impact on rental revenues and occupancy rates, which in turn may adversely affect the value of the real estate investments.

In addition to the general economic conditions, the real estate markets in which the Company invests are also affected by a number of other factors which may have a significant impact on the value of real estate investments, including interest rates and credit spreads, the level of prevailing inflation, the availability and cost of financing for businesses and consumers, the returns from alternative

investments compared with real estate, changes in planning, environmental, lease, tax or other laws and regulations and sanctions imposed on certain governments and/or persons.

In particular, commercial property values are dependent on the current rental values and occupancy rates, prospective rental growth, lease lengths, tenant creditworthiness and solvency, and investment yields (which are, in turn, a function of interest rates, the market appetite for property investments in general and with reference to the specific property in question) together with the nature, location and physical condition of the property concerned. Rental revenues and commercial real estate values are also affected by factors specific to each local market in which the property is located, including the supply of available space, demand for commercial real estate and competition from other available space.

As a result of the above or other factors, the portfolio companies' ability to maintain or increase the occupancy levels of the properties held by the portfolio companies through the execution of leases with new tenants and the renewal of leases with existing tenants, as well as its ability to increase rents over the longer term, may be adversely affected.

In particular, tenants going into administration, the non-renewal of existing leases or early termination by tenants would result in a significant decrease in the net rental income of the portfolio companies. If the net rental income declines, the portfolio company would have less cash available to service and repay its indebtedness and the value of its properties would decline further as well. In addition, significant expenditures associated with each property, such as real estate taxes, compliance with new regulations, works service charges and renovation and maintenance costs, are generally not reduced in proportion to any decline in rental revenue from that property. If the rental revenue from a property declines while the related costs do not decline, the distributions by the portfolio company to the Company could be adversely affected, which may consequently impact the Company's distributions to the shareholders. Any significant deterioration in economic conditions or conditions in the real estate market which contribute to a decline in rental revenue or a further decline in the market value of the properties could decrease the value of the Company's investment in the portfolio companies and could have a material adverse effect on the Company's business, financial condition, results of operations and its ability to pay distributions.

The Company is also exposed to the risk of events that adversely impact domestic or international travel. The room rates and occupancy levels of the hotels owned by the portfolio companies could be adversely impacted by events that reduce domestic or international travel, such as actual or threatened acts of terrorism or war, political or civil unrest, epidemics or pandemics or threats thereof, travel-related accidents or industrial actions, natural disasters, or other local factors impacting specific countries, cities or individual hotels, as well as increased transportation and fuel costs. A decrease in the demand for hotel rooms as a result of such events may have an adverse impact on the portfolio companies' operations and financial results. In addition, inadequate planning, preparation, response or recovery in relation to a major incident or crisis may cause loss of life, prevent operational continuity, or result in financial loss, and consequently impact the value of the hotels and/or the reputation of the portfolio company, consequently affecting the financial condition and results of operations of the Company.

The future operating results of the portfolio companies which operate in the hotel industry could be adversely affected by overcapacity (by the number of rooms) and weak demand due, in part, to the cyclical nature of the hotel industry, or other differences between planning assumptions and actual operating conditions. These conditions could result in reductions in room rates and occupancy levels, which would adversely impact the financial performance of the portfolio company and consequently the results of operations of the Company.

The hotel industry is competitive and the portfolio companies must compete effectively against traditional competitors such as other global hotel chains, local hotel companies and independent hotels to win the loyalty of guests, employees and suppliers. The competitive landscape also includes other types of businesses, such as web-based booking channels (which include online travel agents and intermediaries), and alternative sources of accommodation such as short-term lets of private property. Failure to compete effectively in the traditional and emerging areas of the business

could impact the portfolio companies' market share, profitability and relationships with owners and guests.

Residential properties impacted by the general economic climate, the property markets and prevailing rental rates in the countries where the Company invests, may also be affected by such factors as an excess supply of properties, a fall in the general demand for rental property, reductions in tenants' and potential tenants' space requirements, the availability of credit and changes in laws and governmental regulations (both domestic and international), including those governing homelessness, real estate usage, zoning and taxes, all of which are outside of the Company's control.

These factors, including any property market recession or future deterioration in the property market could, inter alia: (i) lead to a lack of finance available to the Company; (ii) cause the Company to realise its investments at lower valuations than commercially desirable; and (iii) delay the timing of the Company's realisations. A decline in the value of the Company's investments may also weaken the Company's ability to obtain financing for new investments. Any of the foregoing could have a material adverse effect on the ability of the Company to achieve its investment objective, on the NAV and on the market price of the ordinary shares.

If the portfolio companies are unable to lease the properties on satisfactory terms and within a satisfactory timescale, their ability to make distributions to the Company will be materially adversely affected

The portfolio companies' ability to generate rental income will depend on their ability to rent their properties to appropriate tenants on satisfactory terms and within a satisfactory timescale, which may be affected by a number of factors, including (but not limited to):

- vacancies that lead to lower occupancy rates which would reduce rental revenue and, in turn, reduce the portfolio company's ability to recover operating costs such as local taxes and service charges and would result in it incurring additional expenses until the property is re-let, including legal and surveying fees and marketing costs;
- the ability to provide or obtain adequate maintenance or insurance services on commercially appropriate terms;
- tenants seeking the protection of bankruptcy laws or other tenant/occupier-protection laws which could result in delays in the receipt of rental and other contractual payments, an inability to collect such payments at all or the termination of a tenant's lease, all of which would reduce the portfolio company's income and could hinder or delay the sale of a property at an acceptable price;
- the amount of rent and the terms on which lease renewals and new leases are agreed being less favourable than leases existing at the relevant time, particularly if the portfolio company offers incentives such as substantial rent abatements, tenant improvements, early termination rights or below-market renewal options in order to re-let a property; and
- changes in laws and governmental regulations in relation to real estate, including those governing permitted and planning usage, taxes, and government charges. Such changes may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights related to particular properties may also be restricted by legislative actions, such as revisions to existing laws or the enactment of new laws or administrative actions, such as the adoption of a new zoning or development plan for an area in which a property is situated.

Any decrease in the portfolio companies' results of operation, may adversely affect their ability to make distributions to the Company.

Real estate assets are relatively illiquid and may limit the ability of the Company to realise the value of its investments at a price consistent with any target return set on acquisition of such asset or respond quickly to changing conditions

The Company may invest in portfolio companies that own relatively illiquid properties or directly invest in illiquid properties. Return on capital and realisation of gains, if any, from an investment

will generally occur upon the disposition or refinance of the underlying property. The Company cannot provide any assurance that there will be available buyers with sufficient financing and who will be willing to pay fair market value at the time the Company desires to sell a real estate related investment/ asset. The illiquidity of the Company's real estate related investment/ assets may affect the Company's ability to dispose of an asset and diversify or liquidate part of its portfolio in a timely fashion and at satisfactory prices, consistent with any set return for investments, in response to changes in economic, real estate market or other conditions, or to raise funds for any reason or in response to the exercise by the tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiry of the originally agreed terms. In addition, in the case of leasehold properties, consent is often required from landlords and management companies to transfer such properties, which may further impact the timing of an asset disposition. If the Company were required to dispose of or liquidate a real estate investment/ asset on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded, which could result in a decrease in NAV per ordinary share and impairing the Company's ability to achieve a positive return on investment.

Periods of reduced liquidity in the capital market may also mean that it may be difficult to achieve the sale of property assets at prices reflecting the portfolio companies' or the Company's property valuations and consistent with any set return on investment.

The Company's balance sheet and income statement may be significantly affected by fluctuations in the fair market value of its properties or shares in companies owning properties as a result of revaluations

The real estate assets held by the Company or any future subsidiaries will be independently revalued annually in accordance with IFRSs (except the extent that the Board determines to rely on an existing independent valuation which is not older than six months) and any increase or decrease in the value of these assets will be recorded as a revaluation gain or loss in the Company's consolidated income statement for the period during which the revaluation occurs. As a result, the Company may have significant non-cash revenue gains and losses from period to period depending on the change in fair market value of the real estate assets directly or indirectly held by the Company, whether or not such assets are sold. If the Company has incurred debt, over the longer term, revaluation losses could lead to non-compliance with covenants under the debt obligations. A substantial decrease in the fair market value of the real estate assets, over the longer term, could have a material adverse effect on the Company's business, financial condition and results of operations and could negatively affect the value of the ordinary shares and the level of distributions. Moreover, the use of borrowings or other leverage by the Company may increase the volatility of such financial performance and amplify the effect of any change in the valuation of the real estate assets on its financial position and results of operations. The Company is also intending to adopt a policy which will provide for regular rotation of the independent valuer with respect to any asset, which again may give rise to non-cash gains or losses.

The Company's return on investment is dependent on the ability of the portfolio companies' management to maintain satisfactory rental levels

Rental levels and the market value of properties are generally affected by the overall economic conditions in the markets in which the portfolio companies may operate (e.g., growth and absolute levels of GDP, declining demand for certain types of properties, competition, employment trends, inflation and changes in interest rates). These factors may result in a general decline in rents or an increase in defaults under existing leases. To the extent they are present, rent reviews may not be agreed upon at the then estimated rental values.

The rental income is dependent on the ability to attract appropriate third parties to enter into new leases on favourable rental terms. The portfolio companies may find it more difficult to attract appropriate third parties to enter into leases during periods when market rents are increasing, or when general consumer activity is decreasing. Upon their expiration, leases may not be renewed by existing tenants, the space may not be re-leased to new tenants promptly or at all or the terms of

renewal or re-leasing (including the cost of required renovations or concessions to tenants) may be less favourable than the previous lease conditions.

Any reduction in the portfolio companies' rental income and the deterioration of their results of operation and financial condition may materially adversely affect the Company's return on investment.

A substantial portion of the rental income maybe derived from tenants whose revenues may be exposed to adverse trends in the current economic climate

The properties may be leased to tenants who are, or who become, significantly exposed to the factors that affect the economic environment generally, such as imposition of sanctions on Russian and other persons, and a significant decline in overall tenant revenues, or the inability to pay rents or the bankruptcy or insolvency of multiple significant individual tenants, or a substantial number of smaller tenants, materially decreasing the revenues and available cash, and also materially lower the value of the properties.

Tenant leases may not contain provisions designed to monitor the creditworthiness of the tenant. If adverse economic conditions continue or deteriorate further, the tenants may suffer cash flow problems, enter into restructurings or become insolvent in the future. The amounts payable in certain cases to the portfolio companies under the tenant leases may not be covered by collateral (other than small rent deposits in certain cases) and they may not be insured against lease defaults by tenants. Therefore, the portfolio companies and/or the Company may be exposed to the credit risk of each of the tenants and the creditworthiness of the tenants may decline over the short term. If a tenant declares bankruptcy or becomes insolvent, the property which it occupies may experience a decrease in rental income. The portfolio companies may be unable to secure a replacement tenant for the same property on favourable terms, or at all.

If tenants are unable to pay rents or service charges at the current levels, given the current market conditions and rental values, new tenants may be less likely to be willing to pay rents at the same level as the prior tenants, resulting in lower rental income at comparable occupancy levels. The attractiveness of the relevant properties to new tenants, and rental income, may be adversely affected if major tenants terminate or decline to renew their leases upon expiry, seek lower rents upon review, fail to meet their contractual obligations, seek concessions in order to continue operations, or cease their operations.

Increases in operating and other expenses could limit the portfolio companies' ability to achieve favourable operating income, to make distributions to their shareholders and to achieve a net return on investments

The portfolio companies' operating and other expenses could increase without a corresponding increase in turnover or tenant reimbursements of operating and other costs. Factors which could increase operating and other expenses include:

- increases in the rate of inflation and currency fluctuation;
- increases in the costs of services provided by third party providers;
- increases in taxes and other statutory charges;
- changes in laws, regulations or government or local authority policies (including those relating to health and safety and environmental compliance) which increase the cost of compliance with such laws, regulations or policies;
- increases in insurance premiums;
- increase in financing expenses due to changes in interest rates and market liquidity;
- unforeseen increases in the cost of maintaining properties;
- increased building and development costs; and
- unforeseen capital expenditures which may arise as a result of defects affecting the properties which need to be rectified, failure to perform by sub-contractors or increases in operating costs.

Such increases, changes and expenditures could have a material adverse effect on the portfolio companies' financial position, capital resources and their ability to achieve favourable operating income and associated yield, to make the anticipated distributions or any distributions to their shareholders and to achieve a net return on investments.

The Company may hold certain of its real estate assets through co-investments, which are subject to certain risks of shared ownership and control of real estate assets

The Company may decide to acquire an interest in real estate assets through co-investment. In these cases, the real estate assets in which the Company invests will be partially owned by third parties. It is possible that the Company may hold minority economic and voting interests in the vehicle holding the real estate asset. Due to the nature of some of these co-investment arrangements, the Company may not retain complete control over all decisions regarding the real estate assets in which it invests, including decisions to sell or retain assets, and as a result the co-investment vehicles may take actions that are in the interest of the other co-investors but not in those of the Company. Accordingly, the Company may not be able to resolve all the issues that arise with respect to such decisions, or it may have to provide financial or other inducements to its partners to obtain a resolution in its favour. In the absence of dispute resolution and expert determination mechanisms provided for in the co-investment arrangements, a major conflict with other co-investors may lead to deadlock and result in the Company being unable to pursue its desired strategy or exit the joint venture or co-ownership arrangement other than on disadvantageous terms. For co-investment arrangements the Company does not manage, or where the Company does not have control over the co-investment vehicle, the Company will not be able to make sole decisions regarding internal controls over the financial and accounting systems of the co-investment vehicle, the selection and application of accounting policies, the restructuring of operations or liabilities, refurbishment or development of properties, reduction of inefficiencies, maintenance of records, authorisation of disbursements and safeguarding of assets. In circumstances where the Company does not have access to the financial and accounting reports of a co-investment vehicle on a regular basis, it is exposed to an increased risk that controls may not be designed or operate effectively, which could ultimately affect the accuracy of the financial information related to these vehicles as prepared by the controlling co-investors.

Various restrictive provisions and rights may govern the sale or transfer of interests in co-investment arrangements. These may affect the Company's ability to dispose of a real estate asset at a time that the Company believes to be most advantageous, for example by giving the co-investors a pre-emptive right and/or requiring the approval of the co-investors for the disposal to a particular purchaser. In addition, in certain circumstances, if the Company does not provide further funding to a co-investment vehicle when requested to do so, its interest in the ownership of and revenues from the co-investment vehicle may be diluted.

Co-investment arrangements may exist for so long as the particular vehicle has an interest in the real estate assets or they may exist for a specified term of years, which may be extended upon agreement by the investors. The bankruptcy, insolvency, or severe financial distress of one of the Company's co-investors could materially and adversely affect the assets held by the co-investment vehicle. If a co-investment vehicle has incurred recourse obligations, the insolvency of a co-investor may, in certain circumstances, result in the Company assuming a liability for a greater portion of those obligations than it would otherwise bear or result in the winding up or sale of the co-investment vehicle.

In addition, there is a risk of disputes between the Company and the third parties who have an interest in the asset or entity in question. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses and distract the management from focusing their time on fulfilling the strategy of the Company. The Company may also, in certain circumstances, be liable for the actions of such third parties.

The portfolio companies may not be successful in completing refurbishment or development projects as planned, or on commercially favourable terms

The portfolio companies may not succeed in completing refurbishment or development projects on time or within budget and failing to do so may prove costly and may only be able to lease the space on unfavourable terms.

The planning phase of a refurbishment or development property may extend over several years and the time to obtain anchor commitments from tenants, planning and regulatory approvals and financing can vary significantly from project to project. Construction and other project costs may exceed the original estimates because of increases in material and labour costs, delays, and costs to obtain anchor tenant commitments, potentially making the project unprofitable.

For large refurbishment or development projects, planning costs and time constraints in securing the property, obtaining planning, demolition and/or construction or other permission and dealing with other third party and regulatory approvals can be significant. The portfolio companies may abandon refurbishment or development opportunities that they have begun pursuing and consequently fail to recover expenses already incurred. In some cases, the refurbishment or development of properties may be subject to revaluation losses due to, for example, the portfolio companies' determination that a given refurbishment or development property is not likely to yield a desired level of net rental income or occupancy. Other write-offs relating to abandoned refurbishment or development opportunities, or revaluation losses resulting from changes in the value of a refurbishment or development properties, may occur in the future.

The portfolio companies are subject to general construction and development risks

Construction and development activities may involve the following risks:

- inability to proceed with the development of properties as a result of failing to obtain financing upon favourable terms;
- additional construction costs for a development project being incurred in excess of original estimates, due to increased material, labour or other costs, which may make completion of the project uneconomical;
- inability to obtain, or delays in obtaining, required planning, land-use, demolition, building, occupancy, and other governmental permits and authorisations, which could result in increased costs and could require the portfolio company to abandon a project entirely. There is also a risk that planning or permitted use consents are not obtained or are delayed or are granted subject to uneconomic or unfavourable conditions. Laws may be introduced that may be retrospective and affect existing building consents which restrict development in the portfolio company's target geographies. This could have an adverse effect on the portfolio company's business;
- acts of nature, such as earthquakes and floods, that may damage or delay construction of properties as well as discovery of historical elements such as fossils, coins, articles of value or antiquity and structures and/or other remains of geological or archaeological interest that may impede or delay construction of properties;
- inability to complete the construction and leasing of a property on schedule, resulting in increased debt service expense and construction or renovation costs which may result in the termination of existing investment agreements and further result in claims by third parties for damages and termination of respective land leases; and
- building methods or materials used in the portfolio company's developments may prove defective and where a construction company or subcontractor used on a development becomes insolvent it may prove impossible to recover compensation for such defective work or materials. In addition, the portfolio company may incur losses as a result of repairing the defective work or paying damages to persons who have suffered loss as a result of such defective work. Furthermore, these losses and costs may not be covered by the professional liability insurance of the portfolio company, the construction company, or the subcontractor.

Any negative change in one or more of the above factors may adversely affect the portfolio company's business, financial condition, results of operations and associated return on investment. Accordingly, the Company's return on investment may be materially and adversely affected.

The portfolio companies may be affected by shortages in raw materials and employees

The building industry may from time-to-time experience fluctuating prices and shortages in the supply of raw materials as well as shortages of labour and other materials. The inability to obtain sufficient amounts of raw materials and to retain efficient employees on terms acceptable to the portfolio companies may result in a delay in the construction of a project and costs exceeding the project's budget and, consequently, may have a material adverse effect on the results of operations.

The portfolio companies may incur environmental liabilities relating to their real estate assets

The real estate assets held by the portfolio companies will be subject to various laws and regulations of the EU and its member states and other relevant jurisdictions and territories relating to the protection of the environment and health and safety. Under such laws and regulations, the portfolio companies may be liable for the investigation, removal, or remediation of hazardous or toxic substances, including asbestos present within the buildings, located on or in a real estate asset owned or leased by them, if environmental liabilities develop or are identified in the future. Environmental laws and regulations may impose strict liability rendering the portfolio companies liable without regard to negligence or fault and could expose the portfolio companies to liability for the conduct of, or conditions caused by, others, or for acts that were in compliance with all applicable laws at the time such acts were performed. In addition, contaminated real estate assets may experience decreases in value.

Although an independent valuer may conduct environmental due diligence, regulatory authorities may disagree with the conclusions and risk assessments of the independent valuer or its environmental consultants. The costs of any required removal, investigation or remediation of such substances may be substantial. The presence of such substances, or the failure to remediate such substances properly, may also adversely affect the portfolio companies' ability to sell or lease the real estate or to borrow using the real estate as security. Laws and regulations, as these may be amended over time, may also impose liability for the release of certain materials into the air or water from a real estate investment, including asbestos, and such release can form the basis for liability to third persons for personal injury or other damages. Other laws and regulations relating to environmental issues can limit the development of, and impose liability for, the disturbance of wetlands or the habitats of threatened or endangered species. Environmental laws often impose liability regardless of whether the owner or operator of the property knew of, or was responsible for, the presence or release of hazardous substances. Non-compliance with, or liabilities under, existing or future environmental laws and regulations, including the failure to hold the requisite permits or licences, could result in liabilities, fines, penalties, third-party claims, operational restrictions and other costs being imposed on the portfolio companies, which could have a material adverse effect on portfolio companies' business, financial condition and results of operations and could negatively affect the value of the Company's stake.

The portfolio companies will be exposed to potential claims relating to their leasing, selling, refurbishment or development of real estate

The portfolio companies may be subject to claims due to defects in quality relating to the leasing, selling, refurbishment or repositioning of their properties. This liability may apply to defects that arise from the actions or omissions of third parties, and are unknown to the Company but could have, or should have, been discovered. Although the portfolio companies may have rights against the building contractor/professional team in connection with such defects and/or recourse to latent defects insurance in place for the project in question, there can be no assurance that they will be able to enforce their rights and fully recover the costs arising from any claim against them. In addition, the Company may be exposed to substantial undisclosed or unascertained liabilities embedded in real estate assets that were incurred or that arose prior to the completion of the acquisition of such real estate assets.

These liabilities could include, but are not limited to:

- in cases where the portfolio companies have acquired the entity which owned the real estate assets, liabilities (including tax liabilities and other liabilities, to state entities) to existing tenants, creditors or other persons involved with the real estate assets prior to the acquisition;
- indemnity claims by parties claiming to be entitled to be indemnified by the former owners of the real estate assets; and
- obligations for the portfolio companies to pay deferred consideration for the real estate assets if certain events occur (for example, the granting of planning permission upon letting or completion of the construction works).

Although the portfolio companies may have obtained contractual protection against such claims and liabilities from the sellers, there can be no assurance that such contractual protection will always be successfully obtained, or that it would be enforceable or effective if obtained under contract.

If realised, such potential liabilities could have a material adverse effect on the returns realised on the real estate assets.

Any claims for recourse the portfolio companies may have against parties from which they have purchased such real estate assets may fail because of the expiration of warranty periods, the statute of limitations, lack of proof that the previous seller knew or should have known of the defect, the insolvency of the previous seller, or for other reasons.

The portfolio companies may also be subject to claims by purchasers of their real estate assets as a result of representations and warranties about those real estate assets provided by the portfolio companies at the time of the disposal. Their representations and warranties could pertain to, among other things, title to the real estate assets, environmental liabilities, and liabilities for the payment of taxes. The portfolio companies may become party to claims, disputes or litigation concerning such representations and warranties and may be required to make payments to third parties as a result. In addition, following the disposal of any real estate assets, the portfolio companies are obliged by law, and may be obliged by contract, to retain certain liabilities or potential liabilities that exist in respect of such assets. To the extent that they materialise, the costs of any such claims, disputes, or litigation, to the extent they materialise, would reduce their available cash flow and could have an adverse effect on their returns on investments and the value of their shares.

Claims may also be brought against the portfolio companies with respect to their refurbishment or development of real estate assets, by, among others, tenants or buyers of the real estate assets as a result of delays, construction defects or other factors. They may not perform the refurbishment or development itself but rather may use the services of design and construction companies. Any claim for recourse by the portfolio companies against such design and construction companies could fail because of the expiration of the statute of limitations, the claim being uncollectible, or for other reasons.

The portfolio companies may be insufficiently insured against all losses, damage, and limitations of use of their properties

Certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, may be uninsurable or may not be economically insurable, and the portfolio companies' insurance policies may be subject to exclusions of liability and limitations of liability both in amount and with respect to the insured loss events. Inflation, changes in building codes and ordinances, environmental considerations, and other factors, including terrorism or acts of war, might also result in insurance proceeds, if any, being insufficient to repair or replace a property if it is damaged or destroyed.

In the event such a loss occurs, there can be no assurance that the insurance proceeds, if any, will fully cover the loss with respect to the affected properties. The occurrence of an uninsured loss or a loss in excess of insured limits could result in the loss of the portfolio company's capital invested in the affected property as well as anticipated future revenue from that property. In addition, the portfolio companies could be liable to repair damage caused by uninsured risks as well as remain

liable for any debt or other financial obligation related to that property. There can be no assurance that the portfolio companies will be sufficiently and effectively insured against all contingencies. If the portfolio companies suffer an uninsured loss or have to pay damages, such an event could have a material adverse effect on the portfolio companies' business, financial condition and results of operations, and consequently could negatively affect the Company's results of operations and the value of the shares.

The portfolio companies may incur significant costs complying with property laws and regulations

The portfolio companies and their real estate assets will be required to comply with a variety of laws and regulations of local, regional, national and European Union authorities, including planning, zoning, environmental, health and safety, tax and other laws and regulations. If the portfolio companies or any of their real estate assets fail to comply with these laws and regulations, they may have to pay penalties or private damage awards. In addition, changes in existing laws or regulations, or their interpretation or enforcement, could require the portfolio companies to incur additional costs in complying with those laws or regulations, alter the investing policy, operations or accounting and reporting systems, leading to additional costs or loss of revenue.

The portfolio companies are subject to planning and compliance risks

The portfolio companies' properties must be permitted for commercial or residential activities of the type of property intended for development. In instances where the existing planning is not suitable or in which the planning is yet to be determined, the portfolio companies will need to apply for the required classifications. This procedure may be protracted, particularly where the bureaucracy is cumbersome and inefficient. The portfolio companies cannot be certain that the process of obtaining proper planning will be completed with sufficient speed and cost to enable the property to be developed ahead of the competition without delays, or at all. Opposition by local residents and/or non-governmental organizations (NGOs) to planning building applications and permits may also cause considerable delays. In addition, arbitrary changes to applicable planning may jeopardise projects which have already commenced. Therefore, if the portfolio companies do not receive planning approvals or if the procedures for the receipt of such planning approvals and/or building consents are delayed, their costs will increase which may have an adverse effect on the portfolio companies' business, financial condition and results of operations.

Changes in laws could adversely affect the portfolio companies risk profiles

Various laws and regulations, including fire and safety requirements, environmental regulations, land disposal and use restrictions and taxes affect properties held by the portfolio companies. If the properties held by the portfolio companies do not comply with these requirements, the portfolio companies may incur governmental fines or private damage awards. New or amended laws, rules, regulations, or ordinances could require significant unanticipated expenditures or impose restrictions on the development, construction or sale of properties. Such laws, rules, regulations, or ordinances may also adversely affect the portfolio companies' ability to operate or resell properties. Many jurisdictions also allow governmental bodies to compulsorily acquire real estate at prices determined by the relevant local law, which could result in losses to the portfolio companies.

The hospitality industry is subject to seasonal and cyclical volatility, which may contribute to fluctuations in portfolio companies results of operations and financial condition.

The hospitality industry is seasonal in nature. The periods during which the portfolio companies' properties experience higher revenues vary from property to property, depending principally upon location and the customer base served. The management team generally expect the portfolio companies' revenues to be lower in the first quarter of each year than in each of the three subsequent quarters with the third quarter being the highest. In addition, the hospitality industry is cyclical and demand generally follows on a lagged basis, the general economy. The seasonality and cyclicity of the industry may contribute to fluctuations in the portfolio companies results of operations and financial condition.

Competition for hotel guests

The portfolio companies operating in hotels and hospitality industry face competition for individual guests, group reservations and conference business. They compete for these customers based primarily on brand name recognition and reputation, as well as location, room rates, property size and availability of rooms and conference space, quality of the accommodations, customer satisfaction, amenities and the ability to earn and redeem loyalty program points. Portfolio companies' competitors may have greater financial and marketing resources and more efficient technology platforms, which could allow them to improve their properties and expand and improve their marketing efforts in ways that could affect the portfolio companies' ability to compete for guests effectively.

The upper upscale segments of the hotel market are highly competitive and generally subject to greater volatility than other segments of the market, which could harm the portfolio company's investment profitability

The upper upscale and upscale segments of the hotel business are highly competitive. Portfolio companies' investment hotels compete on the basis of location, room rates and quality, service levels, reputation and reservation systems, among many other factors. There are many competitors in the hotel chain scale segments, and many of these competitors have substantially greater marketing and financial resources than the portfolio companies. This competition could reduce occupancy levels and rental revenue at the hotels owned by portfolio companies, which would harm its operations and subsequently the Company's profitability. Also, over-building in the hotel industry may increase the number of rooms available and may decrease the average occupancy and room rates at portfolio companies' hotels. In addition, in periods of weak demand, profitability is negatively affected by the relatively high fixed costs of operating upper upscale and upscale hotels when compared to other classes of hotels.

The development of hotel properties is subject to timing, budgeting and other risks that may adversely affect the portfolio companies' operating results and its ability to make distributions

Portfolio companies operating in hotels and hospitality industry may selectively engage in new developments of hotel properties as market conditions warrant. Developing hotel properties involves a number of risks, including risks associated with:

- construction delays or cost overruns that may increase project costs;
- receipt of zoning, occupancy and other required governmental permits and authorizations;
- development costs incurred for projects that are not pursued to completion;
- acts of God such as earthquakes, hurricanes, floods or fires that could adversely impact a project;
- ability to raise capital; and
- governmental restrictions on the nature or size of a project.

The management team cannot assure that any development project will be completed on time or within budget. The portfolio companies' inability to complete a project on time or within budget may adversely affect their operating results and their ability to make distributions to their stockholders.

The hotel industry is capital intensive and the portfolio companies' inability to obtain financing could limit the business growth

Hotel properties require periodic capital expenditures and renovations to remain competitive and the acquisition of additional hotel properties requires significant capital expenditures. The Company may not be able to fund capital improvements or acquisitions solely from cash provided from its operating activities and the portfolio companies ability to fund capital expenditures, or investments through retained earnings, may be limited. Consequently, portfolio companies may rely upon the availability of debt or equity capital to fund their investments and capital improvements, but these sources of funds may not be available on favourable terms and conditions.

7.2.2 Investments in Technology and Telecommunications sector

The Company is subject to the specific risks of investing in the technology and telecommunications sector. The value of shares may be susceptible to factors affecting technology and telecommunications related industries and to greater risk and market fluctuation than investment in other securities covering different economic sectors. Companies in the technology and telecommunications sector may be subject to shorter product life cycles than companies in other sectors and changes in dominant technologies may occur at a greater pace than changes in other industries. Such changes may impact the returns of certain portfolio companies and therefore the Company's performance. Furthermore, the business fields in which these types of new technologies and business models are offered may be subject to specific and strict regulations and licensing regimes, which could have an adverse effect by creating financial burdens or restrictions on portfolio companies' business development and their results of operations. In addition, due to the focus of the Company's investments in the information and technology industries, the value of the investment portfolio is particularly susceptible to shifts in capital market sentiment with respect to information and technology companies. Also, because of the focus on investing in unlisted companies that are seeking to go public in such industries, both directly and through investment funds, the value of the portfolio and the Company's ability to exit from investments or realize gains may also be heavily impacted by the health of the IPO market and appetite for public offerings generally.

If an alliance partner or joint venture partner involved in an investment has a significant change of business strategy or experiences deterioration in its results of operations or financial position, it is possible that adequate results may not be obtained from the business alliances, joint ventures, and similar arrangements or that it may become difficult to continue such business alliances or joint ventures. In addition, it is also possible that the execution of a business alliance or joint venture with a particular third party could preclude the execution of business alliances, joint ventures, and similar arrangements with other parties. Such events could impact the Company's business development and results of operations.

The Company may make direct investments (including investments through subsidiaries) without going through investment funds. In the investment decision-making process, the management seeks to appropriately estimate the investment target's equity value and to assess risks related to the target's businesses, finances, corporate governance, compliance, and internal controls, by conducting due diligence on matters including the target's business, technology, business model, market size, business plan, competitive environment, financial condition and legal compliance. However, the management may overestimate the corporate value, technology, business model or market size of an investment target or underestimate the risk. They may also make investment decisions based on misjudgements as to the integrity of founders and managers who have a crucial influence on investment targets. Consequently, after making an investment, the asset value of the investment (i.e., the equity value of the holdings) could decrease, thereby leading to a decrease in portfolio value and returns on ordinary shares.

In parallel, the recording of valuation losses on assets such as the equity holdings could adversely affect the results of operations and financial position. Further, the entities in which the Company has invested may face challenges to their operating model. This may result in reputational damage to the Company in addition to any asset value decreases.

The portfolio companies may be unable to develop business as was envisioned at the time when the management made an investment decision due to factors including the obsolescence of the portfolio companies' technologies and business models and intensified competitive environments, in addition to the macro external factors. This may lead to a significant deterioration in business performance or a drastic revision of the portfolio companies' business plans. There is also a possibility that the portfolio companies may increase their capital, which could result in a significant dilution of the per-share value of the portfolio companies' shares. In such cases, the asset value of portfolio companies may decrease, and may record valuation losses on financial assets such as shares, or impairment losses on goodwill, property, plant and equipment and intangible assets incurred in

connection with the investment, and may not receive the expected returns, such as profit sharing, from portfolio companies or be able to recover the investment.

Additionally, these companies may be subject to risk of developing technologies, competitive pressures and other factors and are dependent upon consumer and business acceptance as new technologies evolve. Many companies in the technology and telecommunications sector are smaller companies and are therefore also subject to the risks attendant on investing in smaller capitalisation businesses.

Technology companies may be more exposed to the risk of loss of key personnel than companies in other sectors which may be less dependent on such personnel. The loss of key personnel in portfolio companies may have an adverse impact on their business and operations and, consequently on the Company's performance.

Successful development of technology and telecommunications products by portfolio companies, which may substantially affect the Company's performance, may be highly uncertain and is dependent on numerous factors, many of which are beyond the control of portfolio companies. Products that appear promising in the early phases of development may fail to reach the market for several reasons, including the results of trials, manufacturing and pricing issues, and the proprietary rights of others and their competing products and technologies that may prevent the product from being commercialised. Further, the patent positions of technology and telecommunications companies can be highly uncertain and involve complex legal and factual questions. Adverse decisions impacting the patent position of portfolio companies could force them to either obtain third-party licences at a material cost or cease using the technology or commercialising the product in dispute. This may adversely impact returns on such investments to the Company.

The corporate structure of technology and telecommunications companies may include convertible instruments such as warrants, convertible bonds and options which increase the risk of returns to ordinary equity holders in such companies being diluted. This may adversely impact returns on such investments to the Company.

The portfolio companies' value may drop significantly if the intellectual property rights are not secured

The success of technology and telecommunications businesses usually depends on their ability to protect and enforce their patents, trade secrets, trademarks, copyrights, and all of their other intellectual property rights, including the intellectual property rights underlying their service. The aim is to protect any intellectual property under patent, trade secret, trademark, and copyright law through a combination of employee, third-party assignment and nondisclosure agreements, other contractual restrictions, technological measures, and other methods. These afford only limited protection and some portfolio companies are still early in the process of securing their intellectual property rights. Despite the efforts to protect any intellectual property rights and trade secrets, unauthorized parties may attempt to copy aspects of the portfolio companies' technology or other technology or obtain and use trade secrets and other confidential information. Moreover, policing intellectual property rights is difficult and time consuming.

In particular, the patent field covering online, and related technology is rapidly evolving and surrounded by a great deal of uncertainty, and the Company's and portfolio companies' technologies, processes or business models and methods may infringe the intellectual property rights of third parties either now existing or to be issued in the future. Existing or future infringement claims against the Company or portfolio companies, whether valid or not, may be time consuming, distracting to management and expensive to defend.

Intellectual property litigation or claims could force the Company or any portfolio company to:

- cease operating or using products or services that incorporate the intellectual property subject to such claims;

- modify the products or services to avoid infringing upon the intellectual property rights of third parties;
- obtain a license from the holder of the infringed intellectual property, which may not be available on commercially favourable terms, or at all; or
- change the business practices, any of which could result in additional costs.

Additionally, in the event that there is a determination that the Company or any of the portfolio companies have infringed the proprietary rights of any third party, they could incur substantial liabilities. Any of the above may have a material adverse effect on the Company's and portfolio companies' business, financial condition and results of operations.

The technology and telecommunications sector may be highly competitive

The technology and telecommunications sector has become highly competitive the last few years and the ability of the portfolio companies to remain successful will depend on their capacity to offer quality, value and efficiency comparable to those of similar businesses. Such success will depend on, among other factors, (i) the ability of the portfolio company to continue to compete successfully with other well-established or new market players and to respond to changes introduced by these other players, which may involve the introduction of new technologies and services, (ii) modifications to customer offers and pricing, (iii) improvements to levels of quality, reliability and customer service or (iv) changes to the structure of the portfolio company including via other business combinations. Failure to successfully compete for the portfolio company's share of revenue, while maintaining adequate margins, could adversely impact the business, development, financial condition, results of operations and prospects of the portfolio company business and, as a consequence, of the Company as well.

In order to compete effectively, portfolio companies must keep up with rapid technological changes and changes in their customers' requirements and preferences

The industries in which portfolio companies operate are characterised by rapid technological changes and evolving industry standards. Customers constantly demand more sophisticated products and services, and customer preferences change rapidly. To remain competitive, technology and telecommunications companies must continue to innovate, further enhancing and improving the responsiveness, functionality, accessibility, and other features of their products. The success of those companies depends on their ability to anticipate and respond to technological changes, changes in the business models and changes in customer preferences in a timely and cost-effective manner. There can be no assurance that the portfolio companies will be able to effectively anticipate and respond to technological changes and customer preferences in the future. Failure to do so could have a material adverse effect on the return available to the Company and, as a consequence, the Company's financial results.

Technology companies have a history of losses and may not be able to achieve or sustain profitability on a consistent basis or at all in the future

Technology companies have a tendency to incur losses in the early years of their incorporation, due to substantial increases in operating expenses as they continue to enhance their products and services, broaden their customer base, expand their sales and marketing activities, including expanding sales team and customer support teams, expand operations, hire additional employees, and continue to develop their technology. In addition to the expected costs to grow the business, technology and telecommunications companies also expect to incur significant additional legal, accounting, and other expenses as they transition to being larger corporations. These efforts may prove more expensive than initially anticipated, and their management team may not succeed in increasing the revenue sufficiently, or at all, to offset these higher expenses. Revenue growth may slow, or revenue may decline, for a number of possible reasons, including slowing demand for their products or services or increasing competition. Any failure to increase the revenue as they grow, could prevent them from achieving profitability on a consistent basis or at all, which would cause their business, financial condition, and results of operations to suffer.

Rapid growth makes it difficult to evaluate the prospects and increases the risk that the portfolio companies will not continue to grow at or near historical rates

The ability to forecast future results of operations is subject to several uncertainties, including the ability to effectively plan for and model future growth. Many factors may contribute to declines in the revenue growth rate, including increased competition, slowing demand for the products and services from existing and new customers, a failure to continue capitalizing on growth opportunities, terminations of contracts by existing customers, and the maturation of the business, among others. Recent and historical growth should not be considered indicative of future performance. Even if the revenue continues to increase over the long term, it is expected that the revenue growth rate will decline in the future as a result of a variety of factors, including the maturation of the relevant business. There is an expectation that risks and uncertainties frequently experienced by growing companies in rapidly changing industries will occur in some of the technology and telecommunications investments held by the Company, resulting in adverse operating and financial results which could materially differ from the Company's expectations. If the assumptions made by the Company regarding these risks and uncertainties, which are used to plan and proceed with investments in various technology and telecommunications businesses, are incorrect or change, or if these risks are not addressed successfully, the Company's financial condition and/or results of operations could be harmed.

Failure to effectively manage the growth could harm results of operations

Technology companies usually operate globally and sell products and services to customers in many countries, as they plan to continue to expand operations internationally to facilitate growth. They might also experience significant growth in the number of customers, assets, transactions, and the amount of data supported by their products and services, which can place additional demands on their resources and operations. Their organizational structure is becoming more complex, and the need to scale and adapt operational, financial, and management controls, as well as reporting systems and procedures, to manage this complexity is becoming more imminent as they grow. In addition, significant capital expenditure and allocation of management resources are required to achieve growth and sustainability. If the portfolio companies fail to successfully manage the anticipated growth, the quality of their product and service offerings may suffer, which could negatively affect the portfolio companies' reputation, harm their ability to retain and attract customers, and adversely impact their business, financial condition, and results of operations.

The portfolio companies' businesses depend on revenues from new technologies, the commercial success of which could be unproven

The portfolio companies' future growth depends on the commercial success of their technology. It is not certain that their target customers will choose the portfolio companies technologies for technical, cost, support or commercial reasons. Many of the portfolio companies' target customers may be using other technologies and may find it difficult or unattractive to switch to the new technologies offered by start-up entities. If the target customers do not adopt and purchase or use the portfolio companies' technologies, their future growth will be limited.

Technology companies usually depend on a strong brand, and if they are not able to maintain and enhance their brand, their ability to expand their user base, their business and/or operating results can be harmed

The brand identity that portfolio companies develop significantly contributes to the success of their business. Maintaining and enhancing their brand is critical to expanding the user base, product and service sales. Maintaining and enhancing portfolio companies' brand may require them to make substantial investments and these investments may not be successful. If they fail to promote and maintain their brand, or if they incur excessive expenses in this effort, their business, operating results, and financial condition will be materially and adversely affected. The Company anticipates that, as such markets become increasingly competitive, maintaining, and enhancing portfolio companies' brand may become increasingly difficult and expensive. Maintaining and enhancing their brand will depend largely on the portfolio companies' ability to continue to provide high quality products and services, which they may not do successfully. People may have in the past

expressed, and may in the future express, objections to aspects of technology and telecommunications products which can significantly affect the brand of portfolio companies.

Technology companies make product and investment decisions that may not prioritize short-term financial results and may not produce the long-term benefits that they expect

Technology companies frequently make product and investment decisions that may not prioritize short-term financial results if they believe that the decisions are consistent with their mission and benefit the aggregate user experience and will thereby improve their financial performance over the long term. These decisions may adversely affect their business and results of operations and may not produce the long-term benefits that their management expects.

Technology companies face design, manufacturing, and supply chain risks which could adversely impact their financial results

Technology companies face a number of risks related to design, manufacturing, and supply chain management with respect to their consumer hardware products. For example, the consumer hardware products that portfolio companies sell from time to time have had, and in the future may have, quality issues resulting from the design or manufacture of the products, or from the software used in the products. Sometimes, these issues may be caused by components that are purchased from other manufacturers or suppliers. Portfolio companies' brands and financial results could be adversely affected by any such quality issues, other failures to meet their customers' expectations, or findings of their consumer hardware products to be defective. The portfolio companies usually rely on third parties to manufacture and manage the logistics of transporting and distributing these consumer hardware products, which are subject to a number of risks that have been exacerbated as a result of the COVID-19 pandemic.

Technology companies have experienced, and may in the future experience, supply or labour shortages or other disruptions in logistics and the supply chain, which could result in shipping delays and negatively impact their operations, product development, and sales. The Company could be negatively affected if the portfolio companies are not able to engage third parties with the necessary capabilities or capacity on reasonable terms, or if those third parties fail to meet their obligations (whether due to financial difficulties, manufacturing or supply constraints, or other reasons), or make adverse changes in the pricing or change other material terms in the contractual agreements. The manufacturing, distribution, and sale of the portfolio companies' consumer hardware products also may be negatively impacted by macroeconomic conditions, geopolitical challenges, trade disputes, or other actions by governments that lead to supply shortages, increased costs, or supply chain disruptions.

Portfolio companies may face inventory risk with respect to their consumer hardware products

Portfolio companies are exposed to inventory risks with respect to their consumer hardware products as a result of rapid changes in product cycles and pricing, unsafe or defective merchandise, supply chain disruptions, changes in consumer demand and consumer spending patterns, changes in consumer tastes with respect to their consumer hardware products, and other factors. The demand for their products can also change significantly between the time inventory or components are ordered and the date of sale. While every effort is made to accurately predict these trends and avoid overstocking or understocking consumer hardware products these companies may sell, from time to time they may have experienced difficulties in accurately predicting and meeting the consumer demand for their products. In addition, when they begin selling or manufacturing a new consumer hardware product or enter new international markets, it may be difficult to establish vendor relationships, determine appropriate product or component selection, and accurately forecast demand. The acquisition of certain types of inventory or components may require a significant lead-time, non-refundable prepayments and the inventory or components may not be returnable. Any one of the foregoing factors may adversely affect the operating results.

If goodwill or intangible assets become impaired, the portfolio companies may be required to record a significant charge to earnings

Technology companies carry significant values of goodwill and intangible assets on their balance sheets and they review their intangible assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Management tests goodwill for impairment at the investment level annually. If such goodwill or intangible assets are deemed to be impaired, an impairment loss equal to the amount by which the carrying amount exceeds the fair value of the assets would be recognized. The portfolio companies may be required to record a significant charge in their financial statements during the period in which any impairment of any goodwill or intangible assets is determined, which would negatively affect their results of operations.

Technology companies may invest in businesses that do not perform as expected or divert management attention from the core business

As part of their growth strategy technology companies may enter into agreements to acquire companies, form joint ventures, divest portions of their business, sell minority stakes in portions of their business, or acquire complementary companies or technologies. Evaluating and negotiating potential acquisitions or other transactions will require time and attention from the management team and certain other key employees, which may divert their focus from portfolio companies core business and strategic plans. The portfolio companies may decide not to proceed with such transactions after careful consideration, or they might not succeed in acquiring or partnering with the selected companies. Portfolio companies may incur significant out-of-pocket costs including advisor fees in performing due diligence exercises for the evaluation of such transactions. The businesses in which technology companies invest might not perform as well as they expect and require considerable time and attention from the management team and certain other key employees. The press, investors, platform users, or regulators may negatively view any investments or transactions, which could affect the portfolio companies' reputation or business operations.

Portfolio companies may face challenges in successfully integrating acquired businesses

Once a portfolio company acquires a business, it might not be able to integrate its business, technology or acquired personnel into its business seamlessly. Such integration is subject to risks and challenges, including the following:

- diverting management time and focus to acquisition integration;
- disrupting ongoing business operations;
- remediating the controls, procedures, and policies of the acquired company to align with portfolio companies' internal controls;
- integrating the acquired business into portfolio companies' systems and ensuring the acquired business meets the financial reporting requirements, timelines, and security standards;
- retaining and integrating acquired employees, including aligning incentives between acquired employees and existing employees, or managing inherited terms and conditions of employment;
- managing synergy costs, including any required redundancies;
- maintaining important business relationships and contracts of the acquired business;
- incurring liability for pre-acquisition activities of the acquired company, including litigation or other claims arising in connection with the acquired company;
- incurring impairment charges associated with goodwill, long-lived assets, investments, and other acquired intangible assets; and
- other unforeseen operating difficulties and expenditures.

As a result of these factors, any potential acquisition may not be accretive to the performance of the business and the portfolio companies' results of operation and financial condition may be materially and adversely affected. Accordingly, the Company may not realise the expected return on investment.

7.2.3 Investments in Shipping industry

The cyclical nature of the shipping industry could have an adverse effect on the portfolio companies' business

Historically, the financial performance of the shipping industry has been cyclical, with volatility in profitability and asset values resulting from changes in the supply of, and demand for, shipping services. The level of shipping capacity is a function of the number and size of vessels in the world fleet, their deployment, the delivery of new vessels and the scrapping of older vessels. The demand for shipping services is influenced by, among other factors, global and regional economic conditions, currency exchange rates, the globalisation of manufacturing, fluctuation in the levels of global and regional international trade, industrial developments, fuel prices, regulatory developments, and changes in seaborne and other transportation patterns. Changes in the demand for shipping services are difficult to predict. Decreases in such demand and/or increases in shipping capacity could lead to significantly lower freight rates, reduced volume, or a combination of the two, which would have a material adverse effect on the portfolio companies' business, financial condition, and results of operations.

The portfolio companies' results of operations are affected by global trading volumes and economic, financial and political conditions

The results of operations from shipping investments are affected by the volume of their business which in turn depends on worldwide trade volumes as well as the import and export volumes of the countries the ships are serving. Global trade volumes will be affected by changes or developments in global economic, financial, and political conditions, which are outside the Company's control. In particular, an economic slowdown globally may materially and adversely affect the financial position and future prospects of those investments. Other extraneous factors, such as impositions of trade restrictions, sanctions, boycotts and other measures, trade disputes and work stoppages, particularly in the transportation services industry, and acts of war, hostilities, epidemics, or terrorism, could adversely affect trading volumes and lead to a material decline in the demand for the shipping services and the returns of the portfolio companies will be adversely affected.

The international shipping industry has experienced volatile charter rates and vessel values and there can be no assurance that these charter rates and vessel values will stabilise

Since 2008 charter rates and vessel values have been volatile. The demand for vessels and in turn their charter rates, depend on various factors, among other, the economic growth in the world's economies, as well as seasonal and regional changes in demand and changes in the capacity of the world's fleet. There can be no assurance that economic growth will not stagnate or decline leading to a decrease in vessel values and charter rates. A decline in vessel values and charter rates would have an adverse effect on the portfolio companies' business, financial condition, results of operation and ability to pay distributions.

The shipping industry is seasonal

Shipping business is seasonal due to the impact of holidays on demand for consumer goods, seasonal cycles for agricultural products and other factors. However, some of its costs are fixed and cannot be adjusted for seasonality. There can be no assurance that future seasonality in revenue, operating income and working capital requirements will not have a material adverse effect on the portfolio companies' business, financial condition, and results of operations.

Increases in fuel prices may significantly increase the portfolio companies costs of operations

The cost of marine or bunker fuel is one of the major operating costs of shipping companies. The price of bunker fuel is correlated with crude oil prices, which in turn have historically exhibited significant volatility over short periods of time. Furthermore, crude oil prices are influenced by a host of economic and geopolitical factors, such as global terrorism, political instability, tensions in the Middle East insurrections in the Niger Delta, the Russia-Ukraine war, sanctions over traditional

oil suppliers, a long-term increase in global demand for oil and the economic development of emerging markets, China and India in particular.

The portfolio companies are required to use higher quality bunker fuels on an increasing number of their services due to changing environmental requirements, which also increases fuel costs. Furthermore, the crisis in various jurisdictions has led to significant increases in fuel prices adding more pressure to the cost base of the portfolio companies. If prices continue to rally over the long term, it may lead to significant losses and affect the fair value and the ability of the portfolio companies to generate returns.

The shipping industry is highly competitive

The shipping business is highly competitive and fragmented. Competition with other carriers is primarily on a service-by-service, rather than global, basis. The portfolio companies compete with other carriers on all of their services. Shipping is highly commoditised and, in most cases, the carrier does not have exclusive agreements with its customers. Thus, customers may, depending on the overall supply/ capacity of the fleet available on the market, opt for the services of the competitors on all or some trades without facing substantive constraints. Any of the competitors may choose to provide services similar to the portfolio companies established services and attempt to undercut their freight rates on those routes. There are few competitive barriers for existing carriers wishing to enter or expand their presence in a regional market or on a particular route. The highly competitive environment and the tendency for overcapacity results in industry cost improvements being passed on to customers through lower freight rates. In certain geographical areas, some of the competitors are larger and well-established companies, which may be regulated differently, may have greater resources, and may offer alternative packages or more competitive pricing. They may also be able to invest more in developing technology, financial or human resources permit.

Risks involved with operating ocean-going vessels could affect the portfolio companies' business and reputation, which could have a material adverse effect on the portfolio companies' results of operations and financial condition

The operation of an ocean-going vessel carries inherent risks. These risks include the possibility of:

- a marine disaster;
- terrorism;
- environmental accidents;
- cargo and property losses or damage; and
- business interruptions caused by mechanical failure, human error, war, terrorism, piracy, political action in various countries, labour strikes, or adverse weather conditions.

Any of these circumstances or events could increase the portfolio companies' cost or lower their revenues. The involvement of the vessels in an oil spill or other environmental disaster may harm the portfolio companies' reputation as a safe and reliable operator.

Acts of piracy on ocean-going vessels could adversely affect the business of the portfolio companies

Acts of piracy have historically affected ocean-going vessels trading in certain regions of the world such as the South China Sea, the Indian Ocean and in the Gulf of Aden off the coast of Somalia. Although the frequency of sea piracy worldwide decreased in the last decade, sea piracy incidents continue to occur, particularly in the Gulf of Aden off the coast of Somalia and increasingly in the Gulf of Guinea. If these piracy attacks occur in regions where the vessels are deployed and which the insurers characterize as risky zones, premiums payable for insurance coverage could increase significantly and/or insurance coverage may be more difficult to obtain. In addition, crew costs, including costs which may be incurred to the extent the portfolio companies employ on board security guards, could increase in such circumstances. The portfolio companies may not be adequately insured to cover losses from these incidents, which could have a material adverse effect on the portfolio companies. In addition, detention hijacking as a result of an act of piracy against

the vessels, or an increase in cost, or unavailability of insurance for the vessels, could have a material adverse impact on the portfolio companies' business, results of operations, cash flows, financial condition and ability to pay distributions, and consequently may result in loss of revenues, increased costs and decreased cash flows to the Company.

A decrease in the level of China's export of goods could have a material adverse effect on the portfolio companies' business

A significant portion of shipping business originates from China and therefore depends on the level of imports and exports to and from China. Trade tensions between the U.S. and China have intensified in recent years, and trade restrictions have reduced bilateral trade between the U.S. and China and led to shifts in trade structure and reductions in container and bunker trade. Furthermore, as China exports considerably more goods than it imports, any reduction in or hindrance to China-based exports, whether due to decreased demand from the rest of the world, an economic slowdown in China, seasonal decrease in manufacturing levels due to the Chinese New Year holiday or other factors, could have a material adverse effect on shipping business. For instance, the Chinese government has recently implemented economic policies aimed at increasing domestic consumption of Chinese-made goods and national security measures for Hong Kong, which may have the effect of reducing the supply of goods available for export and may, in turn, result in decreased demand for cargo shipping. In recent years, China has experienced an increasing level of economic autonomy and a gradual shift towards a "market economy" and enterprise reform. However, many of the reforms implemented, particularly some price limit reforms, are unprecedented or experimental and may be subject to revision, change or abolition. The level of imports to and exports from China could be adversely affected by changes to these economic reforms by the Chinese government, as well as by changes in political, economic, and social conditions or other relevant policies of the Chinese government. Changes in laws and regulations, including with regard to tax matters, and their implementation by local authorities, could affect the vessels calling on Chinese ports and could have a material adverse effect on the portfolio companies' business, financial condition and results of operations.

Portfolio companies may face difficulties in chartering or owning enough large vessels to support growth strategy due to the possible shortage of vessel supply in the market

Shipping companies have been incorporating, and are expected to continue to incorporate, larger, more economical vessels into their operating fleets. The cost of large vessels is less than the cost of smaller vessels as, among other factors, larger vessels provide increased capacity and fuel efficiency. As a result, cargo shippers are encouraged to deploy large vessels, particularly within the more competitive trades. Such transfer, which is referred to as "fleet cascading", may in turn generate similar effects in the smaller trades in which portfolio companies might operate. The continued deployment of larger vessels by competitors will adversely impact portfolio companies' competitiveness if they are not able to charter-in, acquire or obtain financing for such vessels on attractive terms or at all. This risk is further exacerbated as a result of any inability to participate in certain alliances and thereby access larger vessels for deployment. Even if they are able to acquire or charter-in larger vessels, there is no guarantee that they will be able to achieve utilization of the vessels necessary to operate such vessels profitably.

The increasing vessel size has exceeded the parallel development and adjustment of new and existing terminals, which has led to higher utilization of vessels, near-full capacity at terminals and congestion in certain ports. In addition, access to ports could be limited or unavailable for other reasons

In recent years, the size of ships has increased dramatically and at a faster rate than that to which terminals are able to cater efficiently. Global development of new terminals continues to be outpaced by the increase in demand. In addition, the increasing vessel size has forced adjustments to be made to existing terminals. As such, existing terminals are coping with high berth utilization and space limitations of stacking yards, which are at near-full capacity. This results in longer cargo operations times for the vessels and port congestions, which could increase operational costs and have a material adverse effect on affected shipping lines. Decisions about terminal expansion and

port access are made solely by national or local governments and are outside of the Company's control. Such decisions are based on local policies and concerns and the interests of the shipping industry may not be taken into account. In addition, as industry capacity and demand for shipping continue to grow, the portfolio companies may have difficulty in securing sufficient berthing windows to expand their operations, due to the limited availability of terminal facilities. Furthermore, major ports may close for long periods of time due to maintenance, natural disasters, strikes or other reasons beyond the portfolio companies' control (including the COVID-19 pandemic). There can be no assurance that any efforts to secure sufficient port access will be successful. Any of these factors may have a material adverse effect on the portfolio companies' business, financial condition, and results of operations.

Insurance may be insufficient to cover losses that may occur to the vessels

The operation of any vessel includes risks such as mechanical failure, collision, fire, contact with floating objects, property loss, cargo loss or damage and business interruption due to political circumstances in foreign countries, hostilities and labour strikes. In addition, there is always an inherent possibility of a marine disaster, including oil spills and other environmental mishaps. There are also liabilities arising from owning and operating vessels in international trade. The portfolio companies procure insurance for the fleet in relation to risks commonly insured against by operators and vessel owners, and while all the insurers are highly reputable, there is no assurance that the portfolio companies are adequately insured against all risks or that the insurers will pay a particular claim. Even if the insurance coverage is adequate to cover any losses, the portfolio companies may not be able to obtain a timely replacement vessel or other equipment in the event of a loss. The insurance policies also often contain deductibles, limitations, and exclusions, which, although they might be standard in the shipping industry, may nevertheless increase the costs.

Any uninsured or underinsured loss could harm the business and financial condition of the portfolio companies. In addition, the insurance may be voidable by the insurers as a result of certain actions, such as vessels failing to maintain required certification. Further, some portfolio companies may not carry loss of hire insurance, which covers the loss of revenue during extended vessel off-hire periods, such as those that occur during an unscheduled drydocking due to damage to the vessel from accidents. Any loss of a vessel or any extended period of vessel off-hire, due to an accident or otherwise, could have an adverse effect on the portfolio companies' business, financial condition, and results of operations.

A shortage of qualified sea and shoreside personnel could have an adverse effect on the business and financial condition

Portfolio companies' success depends, in large part, upon their ability to attract and retain highly skilled and qualified personnel, particularly seamen and coast workers who deal directly with activities related to vessel operation and sailing. In crewing the vessels, the portfolio companies require professional and technically skilled employees with specialized training who can perform physically demanding work on board of the vessels. As the worldwide ship fleet continues to grow, the demand for skilled personnel has been increasing, which has led to a shortfall of such personnel. An inability to attract and retain qualified personnel as needed could materially impair the portfolio companies' ability to operate, or increase their costs of operations, which could adversely affect their business, financial condition, results of operations and liquidity. Furthermore, due to the COVID-19 pandemic, the shipping industry as a whole is experiencing difficulties in carrying out crew changes, which could impede the portfolio companies' ability to employ qualified personnel.

Technological innovation may lead to a reduction in the charter rates and residual value of the vessels acquired by the portfolio companies

The charter hire and the value and operational life of a vessel are determined by a number of factors including the vessel's size, type, efficiency, operational flexibility and physical life. Factors which determine a vessel's efficiency include its speed, fuel economy and the ability to be loaded and unloaded quickly. Flexibility is determined by features such as the ability to enter ports, utilise related port facilities and safely navigate through canals and straits. Physical life is related to the original design and construction, maintenance, and the impact of the stress of operations and

structural damage. If new vessels are built that are more efficient or flexible or have longer physical lives than the portfolio companies' vessels, competition from these more technologically advanced vessels could adversely affect the value of charter hire payments which can be obtained in respect of, and the resale value of, the portfolio companies' vessels and may consequently adversely affect the Company's business, financial condition, results of operations, ability to meet distribution payments and the NAV and/or the market price of the shares.

Portfolio companies rely on third-party contractors and suppliers, as well as their partners and agents, to provide various products and services and unsatisfactory or faulty performance of such contractors, suppliers, partners or agents could have a material adverse effect on portfolio companies' business

Shipping companies usually engage third-party contractors, partners, and agents to provide services in connection with their business. Disruptions caused by third-party contractors, partners and agents could materially and adversely affect portfolio companies' operations and reputation. Additionally, a work stoppage at any one of the suppliers, including land transportation suppliers, could materially and adversely affect the operations if an alternative source of supply were not readily available. Also, portfolio companies may outsource part of their back-office functions to a third-party contractor. The back-office support centre may shut down due to various reasons beyond the portfolio companies control, which could have an adverse effect on the business. There can be no assurance that the products delivered, and services rendered by the third-party contractors and suppliers will be satisfactory and match the required quality levels. Furthermore, major contractors or suppliers may experience financial or other difficulties, such as natural disasters, terror attacks, failure of information technology systems or labour stoppages, which could affect their ability to perform their contractual obligations, either on time or at all. Any delay or failure of the contractors or suppliers to perform their contractual obligations, could have a material adverse effect on the portfolio companies' business, financial condition, results of operations and liquidity.

7.2.4 Investments in Healthcare sector

The Company will be sensitive to, and its performance may depend on, the overall condition of the biotechnology and pharmaceuticals industry. The success of biotechnology companies is highly dependent on the development, procurement and/or marketing of molecules or technologies associated therewith. The values of biotechnology companies are also dependent on the development, protection and exploitation of intellectual property rights and other proprietary information, and the profitability of biotechnology companies may be affected significantly by such things as the expiration of patents or the loss of, or the inability to enforce, intellectual property rights. This is a complicated area and disputes are common. The research and development and other costs associated with developing or procuring new molecules, products or technologies and the related intellectual property rights can be significant, and the results of such research and expenditures are unpredictable and may not necessarily lead to commercially successful products.

In addition, the potential for an increased amount of required disclosure or proprietary scientific information could negatively impact the competitive position of these companies. Governmental regulation may delay or inhibit the release of new products. The industry is heavily regulated, and the laws, regulations and regulators vary according to the geography into which the molecules or technologies associated therewith are sold. The same is usually true of any inputs into those molecules or technologies, which may be sourced from several different jurisdictions. To take one example, the process for obtaining regulatory approval for a new molecule for human use by the U.S. Food and Drug Administration (the "FDA") or other governmental regulatory authorities is long and costly and there can be no assurance that the necessary approvals will be obtained or maintained. A molecule or technology can go through several phases of testing but never ultimately reach the market. Companies in the biotechnology industry may also be subject to expenses and losses from expensive insurance costs due to the risk of product liability lawsuits, and extensive litigation based on intellectual property, product liability and similar claims. Companies in the biotechnology industry may be adversely affected by government regulation and changes in reimbursement rates. Healthcare providers, principally hospitals, that transact with companies in the biotechnology industry often rely on third party payors, private health insurance plans and health

maintenance organizations to reimburse all or a portion of the cost of healthcare related products or services.

Failure to secure adequate patent protection for the portfolio companies' products

Patent rights are awarded to protect innovation and play an important role in providing companies with a competitive advantage in the market for a limited period of time. Any loss of patent protection in a market for the products developed through the portfolio companies research and development, including reducing the term, availability, or scope of patent rights, could materially and adversely affect their financial results in that market.

Inadequate patent or data exclusivity protection could lead, for example, to competition from manufacturers of generic or biosimilar pharmaceutical products and could limit the portfolio companies' opportunity to rely on such markets for future sales growth. Following the expiration of certain intellectual property rights, a generic or biosimilar manufacturer may lawfully produce a competing copy of a product. The introduction of generic products typically leads to a rapid and dramatic loss of sales and reduces the portfolio companies' revenues and margins for their proprietary products.

The manufacturing process and equipment used in that process often rely upon technologies developed by third parties. This can result in licensing and other disputes that could affect the production of the relevant molecule or technology.

This depends, in large part, on the ability to obtain and maintain patent protection in the United States, the European Union and other countries with respect to product candidates. The patent application and prosecution process is expensive and time consuming. Accordingly, portfolio companies may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Portfolio companies may also fail to identify patentable aspects of research and development before it is too late to obtain patent protection. It is possible that defects of form in the preparation or filing of patents or patent applications may exist, or may arise in the future, such as with respect to proper priority claims, inventorship, claim scope or patent term adjustments. If any current or future licensors or licensees are not fully cooperative or disagree with the portfolio company as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised, and the portfolio company might not be able to prevent third parties from making, using and selling competing products. If there are material errors in the form or preparation of patents or patent applications, such patents or applications may be invalid and unenforceable. Moreover, competitors may independently develop equivalent knowledge, methods and know-how. Any of these outcomes could impair the ability to prevent competition from third parties.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain. Changes in either the patent laws or the interpretation of the patent laws in the United States and other countries may diminish the value of patents or narrow the scope of patent protection. In addition, the protections offered by laws of different countries vary. No consistent policy regarding the breadth of claims allowed in biotechnology and pharmaceutical patents has emerged to date in the United States or in many foreign jurisdictions. In addition, the determination of patent rights with respect to pharmaceutical compounds and technologies commonly involves complex legal and factual questions, which have in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability, and commercial value of patent rights, whether owned or in-licensed, are often highly uncertain. Furthermore, recent changes in patent laws in the United States, may affect the scope, strength and enforceability of patent rights or the nature of proceedings that may be brought by or against the Company or any portfolio company related to patent rights. Additionally, the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to a portfolio company's ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the United States Patent and Trademark Office ("**USPTO**"), the laws and

regulations governing patents could change in unpredictable ways that could weaken a portfolio company's ability to obtain patents or to enforce any patents that the portfolio companies might obtain in the future.

Portfolio companies may not be aware of all third-party intellectual property rights potentially relating to their current and future product candidates. Publications of discoveries in the scientific literature often lag the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases not at all. Therefore, portfolio companies often cannot be certain that they or their licensors were the first to make the inventions claimed in their patents or pending patent applications, or that they or their licensors were the first to file for patent protection of such inventions.

The issuance of a patent is not conclusive as to its inventorship, scope, validity, or enforceability, and owned and licensed patents may be challenged in the courts or patent offices in the United States and other jurisdictions. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated, or held unenforceable, in whole or in part, which could limit the ability of portfolio companies to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of technology and products. In addition, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized.

Third parties may initiate legal proceedings alleging that portfolio companies are infringing their intellectual property rights, the outcome of which would be uncertain and could significantly harm a portfolio company's business.

There is a substantial amount of intellectual property litigation in the biotechnology and pharmaceutical industries, and the portfolio companies may become party to, or threatened with, litigation or other adversarial proceedings regarding intellectual property rights with respect to a portfolio company's technology or product candidates, including interference proceedings before the USPTO. Intellectual property disputes arise in a number of areas including with respect to patents, the use of other proprietary rights and the contractual terms of license arrangements. Third parties may assert claims against the Company or a portfolio company based on existing or future intellectual property rights and claims may also come from competitors against whom a portfolio company's patent portfolio may have no deterrent effect.

If any of the portfolio companies are found to infringe a third party's intellectual property rights, they could be forced, including by court order, to cease developing, manufacturing or commercializing the infringing product candidate or product. Alternatively, a portfolio company may be required or may choose to obtain a license from such third party in order to use the infringing technology and continue developing, manufacturing or marketing the infringing product candidate. However, a portfolio company may not be able to obtain any required license on commercially reasonable terms or at all. Even if a portfolio company were able to obtain a license, it could be non-exclusive, thereby giving a portfolio company's competitors access to the same technologies licensed to the portfolio company. In addition, the Company or a portfolio company could be found liable for monetary damages, including treble damages and attorneys' fees, if the portfolio company is found to have wilfully infringed a patent. A finding of infringement could prevent the Company or a portfolio company from commercializing a portfolio company's product candidates or force them to cease some of a portfolio company's business operations. Claims that the Company or a portfolio company have misappropriated the confidential information or trade secrets of third parties could have a similar negative effect on a portfolio company's business. Even if successful, the defence of any claim of infringement or misappropriation is time-consuming, expensive and diverts the attention of a portfolio company's management from its ongoing business operations.

A portfolio company may need to license intellectual property from third parties, and such licenses may not be available or may not be available on commercially reasonable terms.

A third party may hold intellectual property rights, including patent rights, that are important or necessary to the development or manufacture of a portfolio company's product candidates. It may be necessary for the portfolio companies to use the patented or proprietary technology of third parties to commercialize a portfolio company's product candidates, in which case would be required to obtain a license from these third parties. Such a license may not be available on commercially reasonable terms, or at all, and a portfolio company could be forced to accept unfavourable contractual terms. If the portfolio companies are unable to obtain such licenses on commercially reasonable terms, their business could be harmed.

The Company and portfolio companies may become involved in lawsuits to protect or enforce intellectual property, which could be expensive, time-consuming and unsuccessful

Competitors may infringe a portfolio company's patents, if issued, trademarks, copyrights, or other intellectual property. To counter infringement or unauthorized use, the Company/a portfolio company may be required to file infringement claims, which can be expensive and time-consuming and divert the time and attention of a portfolio company's management and scientific personnel. Any claims the Company/a portfolio company assert against perceived infringers could provoke these parties to assert counterclaims against them alleging that the Company/the portfolio company infringe their patents, trademarks, copyrights, or other intellectual property. In addition, in a patent infringement proceeding, there is a risk that a court will decide that a patent of a portfolio company is invalid or unenforceable, in whole or in part, and that the Company/the relevant portfolio company do not have the right to stop the other party from using the invention at issue. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that the Company/the portfolio company do not have the right to stop the other party from using the invention at issue on the grounds that the portfolio company's patents do not cover the invention. An adverse outcome in a litigation or proceeding involving a portfolio company's patents could limit its ability to assert its patents against those parties or other competitors and may curtail or preclude its ability to exclude third parties from making and selling similar or competitive products. Similarly, if the Company/a portfolio company assert trademark infringement claims, a court may determine that the marks the Company/a portfolio company have asserted are invalid or unenforceable, or that the party against whom the trademark infringement claims have been asserted has superior rights to the marks in question. In this case, the Company/the portfolio company could ultimately be forced to cease use of such trademarks.

In any infringement litigation, any award of monetary damages the Company/portfolio companies receive may not be commercially valuable. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of a portfolio company's confidential information could be compromised by disclosure during litigation. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the portfolio company's value.

The portfolio companies may be subject to claims by third parties asserting that a portfolio company's employees have misappropriated their intellectual property, or claiming ownership of what they regard as a portfolio company's own intellectual property

Many employees of portfolio companies will have been previously employed at universities or other biotechnology or pharmaceutical companies. A portfolio company may be subject to claims that these employees or the portfolio companies have inadvertently or otherwise used intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. They may also in the future be subject to claims that portfolio companies have caused an employee to breach the terms of his or her non-competition or non-solicitation agreement. Litigation may be necessary to defend against these potential claims.

Employees and contractors may assert intellectual property rights in respect of intellectual property believed to be owned or in-licensed by a portfolio company.

If the portfolio companies fail in prosecuting or defending any such claims, in addition to paying monetary damages, they may lose valuable intellectual property rights or personnel. A court could

prohibit the portfolio companies from using technologies or features that are essential to their products if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of the former employers. Even if portfolio companies are successful in prosecuting or defending against such claims, litigation could result in substantial costs and could be a distraction to management. In addition, any litigation or threat thereof may adversely affect a portfolio company's ability to hire employees or contract with independent service providers. Moreover, a loss of key personnel or their work product could hamper or prevent a portfolio company's ability to commercialize its products.

Any trademarks the portfolio companies may obtain may be infringed or successfully challenged, resulting in harm to the portfolio companies' business

The portfolio companies expect to rely on trademarks as one means to distinguish any of its product candidates that are approved for marketing from the products of a portfolio company's competitors. Third parties may oppose a portfolio company's trademark applications, or otherwise challenge a portfolio company's use of the trademarks. In the event that a portfolio company's trademarks are successfully challenged, the Company could be forced to rebrand the portfolio company's products, which could result in loss of brand recognition and could require them to devote resources to advertising and marketing new brands. A portfolio company's competitors may infringe its trademarks and the portfolio company may not have adequate resources to enforce its trademarks.

In addition, any proprietary name the portfolio companies propose to use with their clinical-stage product candidates or any other product candidate in the United States must be approved by the FDA, regardless of whether the portfolio companies have registered it, or applied to register it, as a trademark. The FDA typically conducts a review of proposed product names, including an evaluation of the potential for confusion with other product names. If the FDA objects to any of the portfolio company's proposed proprietary product names, the portfolio companies may be required to expend significant additional resources in an effort to identify a suitable proprietary product name that would qualify under applicable trademark laws, not infringe the existing rights of third parties and be acceptable to the FDA.

Inability to protect the confidentiality of trade secrets would harm the business

Portfolio companies are expected to rely on trade secrets, including unpatented know-how, technology, and other proprietary information, to maintain their competitive position. This would typically involve entering into non-disclosure and confidentiality agreements with parties who have access to them, such as employees, consultants, advisors and other third parties. Invention or patent assignment agreements will often be included in employment arrangements with employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose proprietary information, including their trade secrets. Monitoring unauthorized uses and disclosures of intellectual property is difficult and it is difficult to know whether these measures would be effective. In addition, it may be difficult to obtain adequate remedies for any such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets.

Moreover, competitors may independently develop knowledge, methods and know-how equivalent to the trade secrets of portfolio companies. Competitors could purchase products of portfolio companies and replicate some or all of the competitive advantages they derive from their development efforts for technologies on which no patent protection exists. If any of the portfolio company's trade secrets were to be lawfully obtained or independently developed by a competitor, it would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with the portfolio company. If any portfolio company's trade secrets were to be disclosed to or independently developed by a competitor, its competitive position would be harmed.

Portfolio companies may not be able to protect their intellectual property rights throughout the world

Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and intellectual property rights in some countries outside the United States or the EU could be less extensive than those in the United States or the EU, for example. In some cases, portfolio companies may not be able to obtain patent protection in all relevant jurisdictions. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States and the EU, even in jurisdictions where patent protection is pursued. Consequently, portfolio companies may not be able to prevent third parties from using the inventions of portfolio companies in all countries.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favour the enforcement of patents, trade secrets and other intellectual property protection, particularly those relating to biotechnology products, which could make it difficult for the portfolio companies to stop the infringement of their patents, if pursued and obtained, or marketing of competing products in violation of the portfolio companies proprietary rights generally. Proceedings to enforce their patent rights in foreign jurisdictions could result in substantial costs and divert their efforts and attention from other aspects of their business, could put their patents at risk of being invalidated or interpreted narrowly and their patent applications at risk of not issuing and could provoke third parties to assert claims against portfolio companies.

Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and patent protection could be reduced or eliminated for non-compliance with these requirements

Periodic maintenance and annuity fees on any issued patent are due to be paid to the USPTO and other jurisdictions patent agencies in several stages over the lifetime of the patent. The USPTO and various other jurisdictions governmental patent agencies require compliance with a number of procedurals, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If portfolio companies or their licensors fail to maintain the patents and patent applications covering their products or product candidates, competitors might be able to enter the market, which would harm their business. In addition, any failure on the part of a portfolio company to maintain the in-licensed rights could jeopardize its rights under the relevant license and may expose it to liability.

Biopharmaceutical development is a long, expensive and uncertain process, and delay or failure can occur at any stage of clinical trials. Failure to obtain regulatory approval for product candidates will prevent their commercialization

The success in the development of a new molecule will depend on many factors, including:

- completing preclinical studies and receiving regulatory approvals or clearance for conducting clinical trials for preclinical stage programs;
- obtaining positive results in portfolio companies' clinical trials demonstrating efficacy, safety, and durability of effect of product candidates;
- receiving approvals for commercialization of product candidates from regulatory authorities;
- sourcing clinical and, if approved, commercial supplies of the materials used to manufacture product candidates;

- achieving cost efficiencies in the scale-up of manufacturing capacity;
- developing protocols for the safe administration of product candidates;
- educating medical personnel;
- addressing logistical considerations with respect to molecule storage and transportation; and
- maintaining and growing an organization of scientists, medical professionals and businesspeople who can develop and commercialize products and technology.

Many of these factors are beyond the control of portfolio companies, including the time needed to adequately complete clinical testing and the regulatory submission process. It is possible that none of their product candidates will ever obtain regulatory approval, even if substantial time and resources were expended seeking such approval.

Product candidates could fail to receive regulatory approval from the FDA, the European Medicines Agency ("**EMA**") or other regulatory authorities for many reasons, including:

- disagreement with the design, protocol or conduct of clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- disagreement on the interpretation of data from preclinical studies or clinical trials;
- insufficiency of data collected from clinical trials of product candidates to support the submission and filing of a biologics license application or other submission or to obtain regulatory approval;
- failure to obtain approval of the manufacturing processes or portfolio companies' facilities;
- changes in the approval policies or regulations that render portfolio companies' preclinical and clinical data insufficient for approval; or
- lack of adequate funding to complete a clinical trial in a manner that is satisfactory to the applicable regulatory authority.

Even if a product candidate were to successfully obtain approval from the FDA, the EMA or other comparable regulatory authorities in other jurisdictions, any approval might contain significant limitations related to use restrictions for specified age groups, warnings, precautions, or contraindications, or may be subject to burdensome post-approval study or risk management requirements. If a portfolio company is unable to obtain regulatory approval for a product candidate in one or more jurisdictions, or any approval contains significant limitations, it may not be able to obtain sufficient funding to continue the development of that product or generate revenues attributable to that product candidate. Also, any regulatory approval of product candidates, once obtained, may be withdrawn.

Clinical trials are difficult to design and implement, involve uncertain outcomes and may not be successful. Human clinical trials are difficult to design and implement, in part because they are subject to rigorous regulatory requirements. The design of a clinical trial can determine whether its results will support approval of a product and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials even after achieving promising results in preclinical testing and earlier-stage clinical trials. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit, or prevent regulatory approval. In addition, changes to regulatory approaches can change during the period of a trial, which may cause delays. Patients are often needed in clinical trials for product candidates; accordingly, difficulties in enrolling patients can be harmful to the commercialisation of products.

Many early-stage pharmaceutical companies have no profits and large accumulated losses. As a result, delays could have an even greater effect than on companies with more resources.

Even if a portfolio company completes the necessary preclinical studies and clinical trials, the regulatory approval process is expensive, time-consuming, and uncertain and may prevent it from obtaining approvals for the commercialization of some or all of its product candidates

Product candidates and the activities associated with their development and commercialisation, including their design, research, testing, manufacture, safety, efficacy, quality control, recordkeeping, labelling, packaging, storage, approval, advertising, promotion, sale, distribution, import, export, and reporting of safety and other post-market information, are subject to comprehensive regulation by the FDA, the EMA and other comparable regulatory authorities in other jurisdictions. Failure to obtain marketing approval for a product candidate will prevent a portfolio company from commercializing the product candidate.

Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and the inspection of manufacturing facilities by, the regulatory authorities. Product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude obtaining marketing approval or prevent or limit commercial use. If any such product candidate receives marketing approval, the accompanying label may limit its approved use, which could limit sales of the product.

The process of obtaining marketing approvals, both in the United States and in other jurisdictions, is expensive and may take many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Securing marketing approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing marketing approval also requires the submission of information about the product manufacturing process to, and the inspection of manufacturing facilities by, the regulatory authorities. The FDA, the EMA or other regulatory authorities may determine that product candidates are not safe and effective, are only moderately effective or have undesirable or unintended side effects, toxicities or other characteristics that preclude portfolio companies from obtaining marketing approval or prevent or limit commercial use.

In addition, changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. Regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that data is insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit, or prevent the marketing approval of a product candidate. Any marketing approval ultimately obtained may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable. Any marketing approval ultimately obtained may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

In order to market and sell products in the European Union and any other jurisdictions, the portfolio company must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain approval from the FDA. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining approval from the FDA.

Obtaining and maintaining regulatory approval of product candidates in one jurisdiction does not mean that a portfolio company will be successful in obtaining regulatory approval of product candidates in other jurisdictions

Obtaining and maintaining regulatory approval of product candidates in one jurisdiction does not guarantee that regulatory approval will be obtained or maintained in any other jurisdiction, but a failure or delay in obtaining regulatory approval in one jurisdiction may have a negative effect on the regulatory approval process in others. For example, even if the FDA grants marketing approval for a product candidate, comparable regulatory authorities in other jurisdictions must also approve the manufacturing, marketing, and promotion of the product candidate in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from those in the United States, including additional preclinical studies or clinical trials as clinical studies conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions. In many jurisdictions outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. In some cases, the price that may be charged for products is also subject to approval.

Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs and could delay or prevent the introduction of portfolio companies' products in certain countries. Failure to comply with the regulatory requirements in international markets and/or to receive applicable marketing approvals would reduce the total addressable market of a product and, thus, its commercial viability.

Even if marketing approvals for product candidates are obtained, the terms of approvals and ongoing regulation of products may limit how products are manufactured and marketed and compliance with such requirements may involve substantial resources, which could reduce returns on products

Even if marketing approval for a product candidate is granted, an approved product and its manufacturer and marketer are subject to ongoing review and extensive regulatory requirements for manufacturing processes, labelling, packaging, distribution, adverse event reporting, storage, advertising, promotion, sampling, and recordkeeping, including the potential requirements to implement a risk evaluation and mitigation strategy ("REMS") program or to conduct costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product. Requirements concerning advertising and promotion must also be complied with. Promotional communications with respect to prescription drugs are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved labelling. Thus, it would not be possible to promote any products developed for indications or uses for which they are not approved. In addition, manufacturers of approved products and those manufacturers' facilities are required to comply with extensive regulatory requirements of the FDA, the EMA and other regulatory authorities, including ensuring that quality control and manufacturing procedures conform to the current Good Manufacturing Practice ("cGMP") and other comparable regulations and standards, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation and reporting requirements. Manufacturers and suppliers could be subject to periodic unannounced inspections by the FDA, the EMA, or other regulatory authorities to monitor and ensure compliance with cGMP.

Failure to comply with these requirements could result in applicable licenses being withdrawn, which could adversely affect the return on a product. Any product that has marketing approval could be subject to post-marketing restrictions or recall or withdrawal from the market, and the relevant portfolio company may be subject to penalties if it fails to comply with regulatory requirements or if it experiences unanticipated problems with product candidates, if and when any of them are approved.

Thus, the cost of compliance with post-approval regulations is material and affects the return on any product.

The FDA and other federal and state agencies, including the U.S. Department of Justice ("DOJ") closely regulate compliance with all requirements governing prescription drug products, including

requirements pertaining to the marketing and promotion of products in accordance with the provisions of the approved labelling and manufacturing of products in accordance with cGMP requirements. The FDA and DOJ impose stringent restrictions on manufacturers' communications regarding off-label use and products may only be marketed for their approved indications. Violations of such requirements may lead to investigations alleging violations of the Food, Drug, and Cosmetic Act and other statutes, including the False Claims Act and other federal and state healthcare fraud and abuse laws as well as state consumer protection laws and other applicable laws.

Failure to comply with all regulatory requirements, and later discovery of previously unknown adverse events or other problems with products, manufacturers or manufacturing processes, may yield various results, including:

- litigation involving patients taking them;
- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labelling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning or untitled letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications;
- recall of products;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of marketing approvals;
- suspension of any ongoing clinical trials;
- damage to relationships with any potential collaborators;
- unfavourable press coverage and damage to reputation;
- refusal to permit the import or export of products;
- product seizure; or
- injunctions or the imposition of civil or criminal penalties.

Non-compliance by a portfolio company or any future collaborator with the applicable regulatory requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products, can also result in significant financial penalties. Similarly, failure to comply with the applicable regulatory requirements regarding the protection of personal information can also lead to significant penalties and sanctions.

If any of these events occur, they could have a material adverse effect on the commercial viability of a product or the relevant portfolio company.

Collaboration with third parties is common

There are various stages in the process, from clinical trials and manufacturing to marketing, for developing a new molecule or technology that requires collaboration with third parties. Such third parties can fail to meet their obligations, default, become insolvent or engage in criminal or other behaviour that negatively affects a portfolio company's business and therefore their returns.

Failure to engage in commercial activities that are consistent with the letter and spirit of the law, industry regulations, or the portfolio companies' policy requirements relating to sales and promotion of their medicines and vaccines; appropriate interactions with healthcare professionals/organisations and patients; legitimate and transparent transfers of value; and pricing and competition (or antitrust) regulations in commercial practices, including trade channel activities and tendering business

Failure to engage in commercial activities that are consistent with the letter and spirit of the law, industry regulations, or the portfolio companies policy requirements relating to sales and promotion of medicines and vaccines; with appropriate interactions with healthcare professionals ("HCPs"),

organisations and patients; with legitimate and transparent transfers of value; and with pricing and competition (or antitrust) regulations in commercial practices, including trade channel activities and business tendering, could, materially and adversely affect the portfolio companies' ability to deliver their strategy and long term priorities. Additionally, it may result in incomplete awareness of the risk/benefit profile of their products and possibly suboptimal treatment of patients and consumers; governmental investigation, regulatory action and legal proceedings brought against the portfolio companies or the Company by governmental and private plaintiffs which could result in government sanctions and criminal and/or financial penalties. Any practices that are found to be misaligned with the portfolio companies' values could also result in reputational harm and dilute trust established with external stakeholders.

Pharmaceutical, vaccine and consumer healthcare companies should start embracing opportunities in an evolving digital landscape while facing uncertain market conditions due to the global COVID-19 pandemic and continued downward price pressure in major markets. Developing new pharmaceutical, vaccine and consumer healthcare products is a costly, lengthy and uncertain process. A candidate product may fail at any stage, including after the investment of significant economic and human resources. The competitors' products or pricing strategies, or the potential failure to develop commercially successful products or to deliver additional uses for existing products, could materially and adversely affect the portfolio companies' ability to achieve their strategic objectives.

Failure to adequately conduct ethical and sound preclinical and clinical research

Research involving animals can raise ethical concerns. In many cases, however, research in animals is the only way to investigate the effects of a potential new medicine in a living body other than in humans. Animal research provides critical information about the causes and mechanisms of diseases and therefore remains a vital part of the industry's research.

Data and supporting documents are core components at various stages of pipeline progression decision-making and form the content of regulatory submissions, publications, and patent filings. Poor data integrity and governance could compromise the research and development efforts and negatively impact the portfolio companies' reputation. There are innate complexities and interdependencies in regulatory filings, particularly given the industry's global research and development footprint. Ever changing and increasingly stringent submission requirements continue to increase the complexity of worldwide product registration. The supply of medicines to patients is dependent on the ongoing compliance and maintenance of licences across many geographies, whose requirements and timelines differ. The secure management of the high volume of lifecycle changes to these licences, and their renewal, is critical to compliant supply. Failure to maintain the licences will directly impact patients and portfolio companies' revenue.

Pharmaceutical companies' products are highly complex and could have unknown defects or errors, which may give rise to claims against the portfolio companies or divert the application of the portfolio companies' resources from other purposes

The portfolio companies' products are highly complex and may develop or contain undetected defects or errors, including as a result of minor changes in processes used by suppliers or changes in environmental conditions, which may give rise to claims against the portfolio companies or divert the application of the portfolio companies' resources from other purposes and, in turn, slow growth and/or reduce margins. Portfolio companies' customers may experience reliability issues with the company's products. Despite testing and stringent quality control processes, defects or errors may arise in pharmaceutical companies' products, which could result in a failure to obtain, maintain or increase market acceptance of such products, diversion of development resources, reputational harm and increased warranty, service and maintenance costs.

Portfolio companies may have products that are dependent on the properties of components manufactured by their suppliers, which are outside of the company's control, and which may not be measurable or reasonably measurable other than through their indirect impact on system performance. Portfolio companies rely on verified suppliers.

New products, or enhancements to the portfolio companies existing products in particular may contain undetected errors or performance problems that are discovered only after delivery to customers. If those products have reliability or other quality issues or require unexpected levels of support in the future, the market acceptance and utilisation of the products may not grow to levels sufficient to support the portfolio company's costs and its reputation and business could be adversely affected. Low utilisation rates of the portfolio company's products could also cause its revenue and gross margins to be adversely affected. Defects or errors in the portfolio companies' products may also discourage customers from purchasing their products. The costs incurred in correcting any defects or errors may be substantial and could materially adversely affect the portfolio companies' operating margins. If the portfolio companies' service and support costs increase, its business and operations may be materially adversely affected.

In addition, such defects or errors may require the portfolio companies to provide replacement products to customers at no additional charge which may increase their costs and materially adversely affect their operating margins. Events such as these, particularly during early phases of product roll-out, can adversely affect the portfolio companies' margins. Other similar issues in respect of similar products could have a material adverse effect on profitability. In addition, defects, or errors could lead to product liability claims against the portfolio companies, which could be costly and time-consuming to defend and result in substantial damages.

Employees, independent contractors, principal investigators, consultants, commercial partners, and vendors may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements

Portfolio companies in this area are exposed to the risk of employee fraud or other misconduct or failure to comply with applicable regulatory requirements. Misconduct by employees and independent contractors, such as principal investigators, consultants, commercial partners, and vendors, could include failures to comply with regulations of the FDA, the EMA, and other comparable regulatory authorities, to provide accurate information to such regulators, to comply with applicable manufacturing standards, to comply with healthcare fraud and abuse laws, to report financial information or data accurately or to disclose unauthorized activities. In particular, sales, marketing and other business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of business activities, including, but not limited to, research, manufacturing, distribution, pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee and independent contractor misconduct could also involve the improper use of individually identifiable information, including, without limitation, information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Company's and portfolio companies' reputation.

In addition, federal procurement laws impose substantial penalties for misconduct in connection with government contracts and require certain contractors to maintain a code of business ethics and conduct. It is not always possible to identify and deter employee and independent contractor misconduct, and any precautions taken to detect and prevent improper activities may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws. If any such actions are instituted against the portfolio companies, those actions could have a significant impact on their business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, disgorgement of profits, possible exclusion from participation in federal or other government supported healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional reporting or oversight obligations if the Company or any of the portfolio companies become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with the law and curtailment or restructuring of the operations, any of which could adversely affect portfolio companies' ability to operate.

Business operations and current and future relationships of portfolio companies with healthcare professionals, principal investigators, consultants, customers and third-party payors in the United States and elsewhere may be subject, directly or indirectly, to applicable anti-kickback, fraud and abuse, false claims, physician payment transparency, health information privacy and security and other healthcare laws and regulations, which could expose portfolio companies to substantial penalties

Healthcare providers, physicians and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any product candidates for which the portfolio companies obtain marketing approval. The current and future arrangements with healthcare professionals, principal investigators, consultants, customers and third-party payors may expose the portfolio companies to broadly applicable fraud and abuse and other healthcare laws, including, without limitation, the U.S. federal Anti-Kickback Statute and the U.S. federal False Claims Act, that may constrain the business or financial arrangements and relationships through which the portfolio companies sell, market and distribute any product candidates for which marketing approval is obtained. In addition, portfolio companies may be subject to physician payment transparency laws and patient privacy and security regulation by the U.S. federal government and by the states and foreign jurisdictions in which they conduct portfolio companies' business. The applicable federal, state and foreign healthcare laws that may affect their ability to operate include the following:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and wilfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service, for which payment may be made, in whole or in part, under federal and state healthcare programs such as Medicare and Medicaid. The term "remuneration" has been broadly interpreted to include anything of value. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers on the other hand. Although there are a number of statutory exceptions and regulatory safe harbours protecting certain common activities from prosecution or other regulatory sanctions, the exceptions and safe harbours are drawn narrowly, and practices that involve remuneration that are alleged to be intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbour. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbour does not make the conduct per se illegal under the federal Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all its facts and circumstances. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the federal Anti-Kickback Statute has been violated;
- U.S. federal civil and criminal false claims laws and civil monetary penalty laws, including the federal False Claims Act, which, among other things, impose criminal and civil penalties, including through civil whistleblower or qui tam actions, against individuals or entities for, among other things, knowingly presenting, or causing to be presented, to the federal government, including the Medicare and Medicaid programs, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government. Pharmaceutical and other healthcare companies have been prosecuted under these laws for, among other things, allegedly inflating drug prices they report to pricing services, which in turn were used by the government to set Medicare and Medicaid reimbursement rates, and for allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. In addition, certain marketing practices, including off-label promotion, may also violate false claims laws. Further, pharmaceutical manufacturers can be held liable under the False Claims Act even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims.

Criminal prosecution is also possible for making or presenting a false, fictitious or fraudulent claim to the federal government;

- the U.S. Federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit knowingly and wilfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretences, representations or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of whether the payor is public or private, knowingly and wilfully embezzling or stealing from a healthcare benefit program, wilfully obstructing a criminal investigation of a healthcare offense and knowingly and wilfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, which impose obligations on "covered entities", including certain healthcare providers, health plans, and healthcare clearinghouses, as well as their respective "business associates" that create, receive, maintain or transmit individually identifiable health information for or on behalf of a covered entity, with respect to safeguarding the privacy, security and transmission of individually identifiable health information. Additionally, HITECH also created four new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys' fees and costs associated with pursuing federal civil actions;
- the U.S. federal Food, Drug and Cosmetic Act, which prohibits, among other things, the adulteration or misbranding of drugs, biologics and medical devices;
- the U.S. Federal Physician Payments Sunshine Act, created under Section 6002 of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (or collectively the "ACA"), and its implementing regulations, created annual reporting requirements for certain manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions), to report information related for certain payments and "transfers of value" provided to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and
- analogous state laws and regulations and foreign laws, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state and foreign laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or to adopt compliance programs as prescribed by state laws and regulations, or that otherwise restrict payments that may be made to healthcare providers; state and foreign laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state and local laws that require the registration of pharmaceutical sales representatives; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not pre-empted by HIPAA, thus complicating compliance efforts.

Further, the ACA, among other things, amended the intent requirement of the federal Anti-Kickback Statute and certain criminal statutes governing healthcare fraud. A person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it. In addition, the ACA provided that the government may assert that a claim including items or services resulting from a violation

of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act.

Because of the breadth of these laws and the narrowness of their exceptions and safe harbours, it is possible that the Company's and portfolio companies' business activities can be subject to challenge under one or more such laws. The scope and enforcement of each of these laws are uncertain and subject to rapid change in the current environment of healthcare reform. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry.

Efforts to ensure that the internal operations and future business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. If the operations are found to be in violation of any of these laws or any other governmental regulations that may apply to the portfolio companies, they may be subject to significant civil, criminal and administrative penalties, including, without limitation, damages, monetary fines, individual imprisonment, disgorgement of profits, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, additional reporting or oversight obligations if they become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with the law and curtailment or restructuring of portfolio companies operations, any of which could adversely affect their ability to operate their business and pursue their strategy. If any of the physicians or other healthcare providers or entities with whom portfolio companies expect to do business, including future collaborators, are found not to be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from participation in government healthcare programmes, which could also affect the business.

Product candidates are often subject to government price controls in certain jurisdictions that may affect the portfolio companies' revenue

There has been heightened governmental scrutiny in the United Kingdom, United States, European Union and other jurisdictions of pharmaceutical pricing practices in light of the rising cost of prescription drugs. In the United States, such scrutiny has resulted in several recent Congressional inquiries and proposed and enacted federal legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programmes, and reform government reimbursement methodologies for products. At the federal level, Congress and the Trump administration have each indicated that they will continue to seek new legislative and/or administrative measures to control drug costs. In the European Union, the pricing of prescription pharmaceuticals is subject to governmental control and pricing negotiations with governmental authorities can take considerable time after the receipt of marketing approval for a product. To obtain coverage and reimbursement or pricing approval in some countries, portfolio companies may be required to conduct a clinical trial that compares the cost-effectiveness of the portfolio companies product candidate to other available therapies. If reimbursement of their products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, their business could be harmed.

Recently enacted and future legislation in the United States and other countries may affect the prices portfolio companies may obtain for their product candidates and increase the difficulty and cost to commercialize their product candidates

In the United States and many other countries, rising healthcare costs have been a concern for governments, patients, and the health insurance sector, which have resulted in a number of changes to laws and regulations, and may result in further legislative and regulatory action regarding the healthcare and health insurance systems that could affect the portfolio companies' ability to profitably sell any product candidates for which portfolio companies obtain marketing approval.

The combination of healthcare cost containment measures, increased health insurance costs, reduction of the number of people with health insurance coverage, as well as future legislation and

regulations focused on reducing healthcare costs by reducing the cost of or reimbursement and access to pharmaceutical products, may limit or delay their ability to generate revenue, attain profitability, or commercialize their products.

If any of the portfolio companies fail to comply with environmental, health and safety laws and regulations, they could become subject to fines or penalties or incur costs that could harm their business

Companies operating in the healthcare sector are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Operations will involve the use of hazardous materials, including chemicals and biological materials. Operations also produce hazardous waste products. Risk of contamination or injury from these materials cannot be eliminated. In the event of contamination or injury resulting from the use of hazardous materials, a company could be held liable for any resulting damages, and any liability could exceed its resources. It could incur significant costs associated with civil or criminal fines and penalties for failure to comply with such laws and regulations.

Insurance may not provide adequate coverage against potential liabilities or be available in this area.

Current or future environmental, health and safety laws and regulations may materially increase the cost of doing business. Accordingly, these current or future laws and regulations may impair research, development, or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties, or other sanctions.

The portfolio companies operate in a rapidly changing industry and face significant competition, which may result in others discovering, developing, or commercializing products before or more successfully than the portfolio companies do

The development and commercialization of new biopharmaceutical products is highly competitive and subject to rapid and significant technological advancements. The portfolio companies face competition from major multi-national pharmaceutical companies, biotechnology companies and specialty pharmaceutical companies with respect to their current and future product candidates that they may develop and commercialize in the future.

The value of the portfolio companies may be volatile from time to time

A biotechnology company's valuation can often be based largely on the potential or actual performance of a limited number of products and can also be greatly affected if one of its products proves unsafe, ineffective, unprofitable or if such product is not approved by the FDA. This may also be the result of an unsafe input supplied to it by another company. Such companies may also be characterized by thin capitalization and limited markets, financial resources, or personnel. The value of companies in the biotechnology industry has been and will likely continue to be very volatile, particularly when their products are up for regulatory approval and/or under regulatory scrutiny. Some of the companies in the biotechnology industry are engaged in other lines of business unrelated to biotechnology, and they may experience problems with these lines of business which could adversely affect their operating results. The operating results of these companies may fluctuate as a result of these additional risks and events in the other lines of business. In addition, a portfolio company's ability to engage in new activities may expose it to business risks with which it has less experience than it has with the business risks associated with its traditional operations.

7.2.5 Other Investments

Investments in portfolio companies and their financial performance could negatively impact results of operations, financial condition and cash flow

The Company invests in portfolio companies and other investments in many different industries and geographies each of which is subject to volatility based on a variety of economic, market and other factors. In the event that several portfolio companies are performing poorly, the Company may fail to assist portfolio companies to overcome their financial difficulties, such as unsustainable levels of indebtedness, contractual or legal constraints and industry headwinds, due to limited resources. Risks that could negatively impact the financial performance of portfolio companies and otherwise impact the Company's results of operations, financial condition and cash flow include:

- **Business, Regulatory or Legal Complexity:** The Company often pursues investment opportunities with substantial business, regulatory or legal complexity that the investment team believes may deter other investors. Portfolio companies acquired in such transactions can be more challenging to manage and sometimes entail a greater risk of contingent liabilities;
- **Control:** The Company often invests in equity securities and other financial instruments of companies that it does not control. Similarly, the Company often invests in funds as a limited partner with no control on the decision making of the underlying companies or the funds themselves. In the future, the Company may acquire minority equity interests or limited partnership positions more frequently or dispose of a portion of majority equity investments in portfolio companies over time in a manner that results retaining a minority stake. Minority investments and limited partnership positions are subject to the risk that the portfolio company in which the Company invests may make business, financial or management decisions with which the Company does not agree or that the portfolio company's majority stockholders or the management may take risks or otherwise act in a manner that does not serve the Company's interests, each of which could decrease the value of the investments and have a material adverse effect on the results of operations, financial condition and cash flow. In addition, the portfolio companies make decisions regarding tax positions, which the Company may not control, that could result in additional tax costs;
- **Junior Ranked Investments:** In many cases, the portfolio companies in which the Company invests have, or are permitted to have, outstanding indebtedness or equity securities that rank senior to the investments. In the event of insolvency of a portfolio company, holders of securities ranking senior to the Company's investment would typically be entitled to receive payment in full (and, in some cases, plus interest) before distributions could be made in respect of its investment. Furthermore, during periods of financial distress or following an insolvency, the ability to influence a portfolio company's affairs and to take actions to protect the investments may be substantially less than that of the senior creditors;
- **Concentration of Investments:** During periods of difficult market conditions or slowdowns in the sectors or geographic regions, decreased revenue, difficulty in obtaining access to financing and increased funding costs may be exacerbated by the concentration of investments, which would result in lower investment returns. Such concentration may increase the risk that events affecting a specific geographic region or asset type will have a negative or disparate impact on the Company's return.

The Company's direct and indirect investments in private equity may be difficult to value accurately, valuation methodologies can be subject to significant subjectivity and there can be no assurance that the values of investments reported will in fact be realised

The Company's other investments may at any given time include securities, other financial instruments or other obligations which are very thinly traded, for which no market exists, or which are restricted as to their transferability under applicable laws. These investments may be extremely difficult to be valued accurately. As a result of the overall size or concentrated positions held by the Company in particular markets, the liquidation value of these investments may differ, sometimes significantly, from their valuations. Third party pricing information may not be available for certain

positions held by the Company or may not be available in a timely manner, in which case the net asset value will be published based on estimated values and on the basis of the information available at the time. In addition, investments to be held by the Company may trade with significant bid-ask spreads.

The Company measures its other investments at fair value and, in some cases it uses the net asset value of those companies or considers valuations furnished to the Company by third parties. Absent bad-faith or manifest error, valuations determined in accordance with the Company's valuation policy will be conclusive and binding. Further, such valuations cannot by their nature be exact and are liable to change. Such valuation estimates will be unaudited and may not be subject to independent verification or other due diligence. Moreover, valuations of the Company's investments may not reflect the price at which such investments can be realised. The aggregate value of the Company's direct and indirect investments may therefore fluctuate and, furthermore, there can be no assurance that the values of investments reported by the Company from time to time will in fact be realised. This may materially adversely affect the net asset value of the ordinary shares.

The Company may be exposed to potential liabilities as a result of any investments in restructurings

The Company may be invested in an entity that goes into restructuring or may invest in situations in which it believes an entity in or near to restructuring is underperforming and can be turned around. Companies that are experiencing or are expected to experience financial difficulties may never overcome these financial difficulties and may become subject to bankruptcy or insolvency proceedings. Investments in such companies could, in certain circumstances, subject the Company to certain additional potential liabilities that may exceed the value of the Company's original investment therein. Under certain circumstances, a lender who has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to the Company, and distributions by the Company, may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructurings may be adversely affected by statutes relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and where applicable, a bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterise investments made in the form of debt as equity contributions. Any one of these factors could directly, or indirectly, have a material adverse effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the ordinary shares.

An investment's requirements for additional capital may require the Company to invest more capital than it had originally planned or result in the dilution of the Company's investment or a decrease in the value of that investment

Certain of the Company's investments, especially those in a development or preliminary stage, can be expected to require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of additional financing needed will depend upon the maturity and objectives of the particular entity or business in which the Company invests. Each financing round (whether from the Company or other investors) would typically be intended to provide an entity or business in which the Company invests with enough capital to reach the next major corporate milestone. The availability of capital is generally a function of capital market conditions that are beyond the control of the management, the Company or any underlying management team for an investment entity or business. There can be no assurance that the entities or businesses in which the Company invests will be able to accurately predict their future capital requirements or that, if funds raised are insufficient, additional funds will be available from any source on acceptable terms. If such an entity or business needs to raise additional capital, it may need to do so at a price unfavourable to the existing investors, including the Company. If that entity or business is unable to raise sufficient capital on acceptable terms, its results of operations may be materially adversely affected, which in turn could have a material adverse impact on the Company and the value of the ordinary shares.

The terms on which the Company makes investments may require it to provide additional capital at a later time. In addition, the Company may desire to make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired as part of a previous investment in order to preserve the Company's proportionate ownership when a subsequent financing is planned to protect the Company's original investment. If the Company is unable to provide additional capital when required or requested to do so, or in order to preserve or protect its investment, the results of operations of the entity or business in which the Company invests may be materially adversely affected and/or the Company's ownership interest in the investment may be diluted, either of which could have a material adverse impact on the Company and the value of the ordinary shares.

The Company may be exposed to risks related to public company holdings

The Company's investments may include securities issued by publicly held companies or their affiliates, such as publicly listed debt and equity securities. Moreover, the private companies in which the Company invests either directly or indirectly may become public companies, and the Company may only be able to exit its investments in such companies after they become public. Investments in public companies may subject the Company to risks that differ in type and degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding the Company's holdings in such companies, limitations on the ability of the Company to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members or significant shareholders, limitations on the ability of the Company to direct the course of management of such companies, and increased costs associated with each of the foregoing risks, any of which may have a material adverse effect on the Company's business, financial condition, results of operations, NAV and/or the market price of the ordinary shares.

The Company's investments will be affected by the investment policies and decisions and other activities of the funds it invests

The Company expects, to invest a portion of its assets in private equity and other funds. The value of the investments and, as a result, the NAV of the Company, will fluctuate in response to, among other things, various market and economic factors related to the markets, asset classes and investments in which the relevant funds invest. Although the management will monitor the performance of the Company's investments, it will have little or no control over the activities of the underlying investment managers and/or general partners of the funds in which the Company invests.

The Company may invest in such funds as a limited partner with no control or say on (i) the management of the funds, (ii) their investment procedure and investment policy, (iii) their distribution policy and frequency of distributions, and (iv) the policy for exiting an investment. Similarly, the funds themselves are exposed to similar risks identified above in respect of the Company. There is no guarantee that the funds will be able to keep their track record or that their new investments will be as successful as their previous ones or that they will be able to keep their key personnel or otherwise.

Besides the Company having little or no control over the investment decisions and strategies of those underlying investment managers and/or general partners, the Company will also be subject to the risk of material losses due to other problems experienced by the funds, including fraud, illegal or unauthorised activities by them or their personnel, as well as the failure of the funds to execute their own investment strategies successfully. There can be no assurance that market or other events will not have an adverse impact on the strategies employed by those funds.

The Company may be unable to meet its current or future investment commitments in the funds

If the Company fails to comply with any drawdown notice, it might be subject to various default remedies, including potentially the loss of future distributions from the funds in which it invest, forced transfer of its interests in such funds at less than fair market value, and/or forfeiture of all or a portion of its interests in such funds. The documents establishing the funds might provide for

significant adverse consequences in the event it defaults on its obligation to contribute amounts to the funds pursuant to its commitment, or any other payment obligations set forth in such documentation. Any of the foregoing could materially adversely affect the value of the Company's investments in those funds and the market price of the ordinary shares.

Bridge investments or short-term lending by the Company would expose it to uncertain risks which could have a material adverse effect on the Company's results of operations

From time to time, subject to the Company's investment policy, the Company may lend to underlying entities or businesses in which it invests on a short-term, unsecured basis or otherwise invest on an interim basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge investments would typically be convertible into a more permanent, long-term security and would be subject to the investment restrictions in the Company's investment policy. However, for reasons not always in the Company's control, such long-term securities issuance or other refinancing may not occur, and such bridge investments may remain outstanding. In such event, the interest rate on such loans or the terms of such interim investments may not adequately reflect the risk associated with the unsecured position taken by the Company, which may have a material adverse effect on the Company's results of operations.

Risks associated with investing in small-cap and mid-cap companies

Investing in securities of small-cap and mid-cap companies may involve greater risks than investing in securities of larger, more established entities. Small-cap and mid-cap companies may be engaged in business within a narrow geographic region, be less well-known to the investment community and have more volatile share prices or values. These companies often lack management depth and have narrower market penetrations, less diverse product lines and fewer resources than larger companies. Moreover, the securities of such companies often have less market liquidity and, as a result, their stock prices often react more strongly to changes in the marketplace.

Risks associated with investing in private aviation services industry

The private aviation industry is subject to competition and many of the markets in which the portfolio company operates are competitive as a result of the expansion of existing private aircraft operators, expanding private aircraft ownership and alternatives such as luxury commercial airline service. The portfolio company competes against a number of private aviation operators with different business models, and local and regional private charter operators. Factors that affect competition in the private aviation industry include price, reliability, safety, regulations, professional reputation, aircraft availability, equipment and quality, consistency and ease of service, willingness and ability to serve specific airports or regions, and investment requirements. There can be no assurance that the portfolio company competitors will not be successful in capturing a share of their present or potential customer base. The materialisation of any of these risks could adversely affect their business, financial condition and results of operations.

The loss of key personnel upon whom the portfolio company and the operation of the plane depends on or the inability to attract additional qualified personnel could adversely affect the aviation business. The supply of pilots to the airline industry is limited and may negatively affect the operations and financial condition. The pilots are subject to stringent pilot qualification and crew member flight training standards, which among other things require minimum flight time for pilots and mandate strict rules to minimize pilot fatigue. The existence of such requirements effectively limits the supply of qualified pilot candidates and increases pilot salaries and related labour costs. A shortage of pilots would require the portfolio company to further increase its labour costs, which would result in a material reduction in our earnings. Such requirements also impact pilot scheduling, work hours and the number of pilots required to be employed for the plane operation.

In addition, the operations and financial condition may be negatively impacted if the portfolio company is unable to train pilots in a timely manner. Due to an industry-wide shortage of qualified pilots, driven by the flight hours requirements and attrition resulting from the hiring needs of other industry participants, pilot training timelines have significantly increased and stressed the

availability of flight simulators, instructors and related training equipment. As a result, the training of the pilots may not be accomplished in a cost-efficient manner or in a manner timely enough to support our operational needs.

The residual value of the owned aircraft may be less than estimated. Although valuations are generally performed at regular intervals, in accounting for these long-lived assets, the portfolio company makes estimates about the expected useful lives of the assets, the expected residual values of certain of these assets, and the potential for impairment based on the fair value of the assets and the cash flows they generate. Factors indicating potential impairment include, but are not limited to, significant decreases in the market value of the long-lived assets, a significant change in the condition of the long-lived assets and operating cash flow losses associated with the use of the long-lived assets. In the event the estimated residual value of any aircraft is determined to be lower than the residual value assumptions used in the depreciation policies, the aircraft may be impaired and may result in a material reduction in the book value of applicable aircraft the portfolio company operates, or the portfolio company may need to prospectively modify its depreciation policies. An impairment on any of the aircraft or an increased level of depreciation expense resulting from a change to the depreciation policies could result in a material negative impact on the portfolio company's financial results.

The aircraft agreements may contain provisions that require the portfolio company to perform significant maintenance on the aircrafts. Any unexpected increase in maintenance costs may negatively impact the portfolio company's financial position and results of operations. Aircrafts may require regular maintenance work, which may cause operational disruption. The portfolio company's inability to perform timely maintenance and repairs can result in the aircraft being underutilized which could have an adverse impact on the business, financial condition and results of operations. On occasion, airframe manufacturers and/or regulatory authorities require mandatory or recommended modifications to be made across a particular fleet which may mean having to ground a particular type of aircraft. This may cause operational disruption to and impose significant costs on the portfolio company. Furthermore, its operations in remote locations, where delivery of components and parts could take a significant period of time, could result in delays in the portfolio company's ability to maintain and repair the aircraft. Any such delays may pose a risk to the business, financial condition and results of operations.

Fuel is essential to the operation of the aircraft and to the ability to carry out transport services. Fuel costs are a key component of the operating expenses. A further significant increase in fuel costs may negatively impact the portfolio company's revenue, margins, operating expenses and results of operations. Moreover, increased fuel surcharges may affect the portfolio company's revenue and retention if a prolonged period of high fuel costs occurs. To the extent there is a significant increase in fuel costs that affects the number of customers choose to fly with the portfolio company, it may have a material adverse effect on the portfolio company's business, financial condition and results of operations.

Customers may consider private air travel through portfolio company's products and services to be a luxury item, especially when compared to commercial air travel. As a result, any general downturn in economic, business and financial conditions which has an adverse effect on its customers' spending habits could cause them to travel less frequently and, to the extent they travel, to travel using commercial air carriers or other means considered to be more economical than the portfolio company's products and services. In addition, in cases where sufficient hours of private flight are needed, many of the companies and high-net-worth individuals to whom the company provide products and services have the financial ability to purchase their own jets or operate their own corporate flight department should they elect to do so. Additionally, the duration and severity of the COVID-19 pandemic, and similar public health threats that maybe faced in the future, could result in adverse effects on the portfolio company's business, operating results, financial condition and liquidity.

Risks associated with investing in mining industry companies

The portfolio companies operating in the mining sector including copper mining may be affected by the general risks associated with all companies in the mining and exploration industry which could have a material impact on their future prospects, and which could cause actual results to differ materially from expectations. The exploration and mining industry is highly speculative and incurs greater risks than most other businesses and the areas in which the portfolio companies are interested may not contain commercially recoverable volumes of metals or any other minerals. Management of these risks, which often involves professional judgment, is the responsibility of the Board of Directors. The exploration and development of mining resources requires substantial investment, and no assurances can be given that these companies will be able to raise the funding required to develop exploration acreage. The mining sector involves extractive enterprises. These endeavours often make the sector a hazardous industry. The industry is highly regulated by health, national, provincial and regional safety and environmental laws. The portfolio companies intended future operations may be subject to these kinds of governmental regulations in any region in which it operates. All operational activity is subject to general and specific regulations and restrictions governing mining and processing, land tenure and use, environmental requirements (including site specific environmental licences, permits and remediation requirements), workplace health and safety, social impacts and other laws

Resource exploration and development is a speculative business, characterised by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. This risk is accentuated where exploration activity is not carried on as an ancillary activity to a developed business producing operating cash flows from commercial quantities of saleable material from operational activity which can be used to mitigate this risk. The marketability of minerals acquired or discovered by the portfolio companies may be affected by numerous factors that are beyond the control of these companies and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting minerals and environmental protection, the combination of which may result in the portfolio companies not receiving an adequate return of investment capital. The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. There is no assurance that the portfolio companies' mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of the portfolio company's operations will in part be directly related to the costs and success of their exploration and development programmes, which may be affected by a number of factors. In recent years, both metal prices and publicly traded securities prices have fluctuated widely

Exploration, mining and processing activities are dependent upon the grant, renewal, continuance or maintenance in force of appropriate permits, mining cell-claims, concessions, leases and regulatory consents, and are valid only for a defined time period and are subject to limitations or other conditions related to minimal levels of activity. If the portfolio companies fail to fulfil the specific terms of any of their mining licences or if they operate their business in a manner that violates applicable law, government regulators may impose fines or suspend or terminate the right, concession, licence, permit or other authorisation, any of which could have a material adverse effect on the results of operations and financial condition.

The mining industry is intensely competitive in all its phases, and the portfolio companies compete with other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical facilities. Competition could adversely affect the portfolio companies' ability to acquire suitable properties or prospects in the future. Consequently, their revenue, operations and financial condition could be materially adversely affected.

Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices are subject to significant fluctuation and are affected by a number of factors which are beyond the control of the Company. The principal factors, in addition to market speculation, include diminished demand if economic growth is not sustained; increases in supply resulting from the discovery and the development of new sources of metals; reduced supply due to exhaustion of ore reserves or declining average grades; and supply interruptions due to changes in government policies, international trade disputes or labour action. The effect of these factors on the operations cannot be predicted.

The blockchains on which ownership of portfolio crypto assets are recorded and the portfolio crypto assets themselves may be the target of malicious cyberattacks or may contain exploitable flaws in their underlying code, which may result in security breaches, the loss or theft of portfolio crypto assets or the decline in value of portfolio crypto assets

The portfolio crypto assets rely on blockchains for records of ownership. As a result, the portfolio crypto assets are subject to a number of reliability and security risks attendant to blockchain and distributed ledger technology, including malicious attacks seeking to identify and exploit weaknesses in the software.

Such attacks may materially and adversely affect blockchains recording the ownership of portfolio crypto assets, which may in turn materially and adversely affect the transfer or storage of portfolio crypto assets. As a result of these and other risks of malicious attacks, there can be no assurances that the transfer or storage of portfolio crypto assets will be uninterrupted or fully secure. Any such interruption or security failure may result in impermissible transfers of portfolio crypto assets and/or loss of portfolio crypto assets.

The networks underlying the portfolio crypto assets rely on software and programming that is complex, and if this software contains undetected errors, the value of the portfolio crypto assets and the ordinary shares could be adversely affected

The networks underlying the portfolio crypto assets rely on software that is highly complex. Any errors, bugs or defects discovered in the software on which these networks rely could result in harm to the reputations of these networks, loss of developers or users on those networks, and, in turn, loss in value of portfolio crypto assets and the ordinary shares.

The blockchains on which ownership of portfolio crypto assets are recorded are dependent on the efforts of third parties acting in their capacity as the blockchain transaction miners or validators, and if these third parties fail to successfully perform these functions, the operation of the blockchains that record ownership of portfolio crypto assets could be compromised

Blockchain miners or validators maintain the record of ownership of portfolio crypto assets. If these entities suffer from cyberattacks or other security incidents (whether from hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, the inadvertent transmission of computer viruses or other malware, other forms of malicious attacks, malfeasance or negligent acts of its personnel, or via other means, including phishing attacks and other forms of social engineering), or for financial or other reasons cease to perform these functions, the functioning of the blockchains on which the ownership of portfolio crypto assets is recorded and the valuation based may be jeopardized. Any such interruption could result in impermissible transfers of portfolio crypto assets and/or loss of portfolio crypto assets and/or their value.

Also, the technology underlying crypto asset and blockchain technology is subject to a number of known and unknown technological challenges and risks that may prevent wide adoption and use of the portfolio crypto assets, which may negatively affect the value of portfolio crypto assets and the shares. The technology underlying cryptocurrency and blockchain technology is subject to a number of industry-wide challenges and risks relating to consumer acceptance of blockchain technology. The slowing or stopping of the development or acceptance of blockchain networks and blockchain assets would have an adverse material effect on the value of the portfolio crypto assets and the

Shares. Finally, the blockchain network on which ownership and transfer of portfolio crypto assets are recorded utilizes code that is subject to change at any time. These changes may negatively affect the value of the portfolio crypto assets and the ordinary shares.

The long-term viability of cryptocurrencies is unknown, and this could negatively impact the value of cryptocurrencies

Cryptocurrencies are a new and relatively untested product. There is considerable uncertainty about their long-term viability, which could be affected by a variety of factors, including many market-based factors such as economic growth, inflation, and others. In addition, the success of cryptocurrencies will depend on the long-term utility and economic viability of blockchain and other new technologies related to cryptocurrencies. Due in part to these uncertainties, the price of cryptocurrencies is volatile and cryptocurrencies may be hard to sell. Also changes in the governance of a cryptocurrency blockchain network may not receive sufficient support from users and miners, which may negatively affect that blockchain network's ability to grow and respond to challenges.

Cryptocurrencies are subject to volatile price fluctuations which can negatively impact investments

Prices of cryptocurrencies have fluctuated widely for a variety of reasons including uncertainties in government regulation and may continue to experience significant price fluctuations.

Several factors may affect the price of cryptocurrencies, including:

- total cryptocurrencies in existence;
- global cryptocurrency supply and demand;
- investors' expectations with respect to the rate of inflation of fiat currencies;
- currency exchange rates;
- interest rates;
- cryptocurrency market fragmentation and consolidation;
- fiat currency withdrawal and deposit policies of cryptocurrency exchanges and liquidity of such exchanges;
- interruptions in service from or failure of major cryptocurrency exchanges;
- cyber theft of cryptocurrencies from online cryptocurrency wallet providers, or news of such theft from such providers, or theft from individual cryptocurrency wallets;
- investment and trading activities of hedge funds and other large cryptocurrency investors;
- monetary policies of governments, trade restrictions, currency devaluations and revaluations;
- regulatory measures, if any, that restrict or facilitate the ability to buy, sell or hold cryptocurrencies or use cryptocurrencies as a form of payment;
- availability and popularity of businesses that provide cryptocurrency-related services;
- maintenance and development of the open-source software protocol of the cryptocurrency network;
- increased competition from other forms of cryptocurrency or payments services;
- global or regional political, economic or financial events and uncertainty;
- manipulative trading activity on cryptocurrency exchanges, which are largely unregulated;
- the adoption of such cryptocurrencies as a medium of exchange, store-of-value or other consumptive asset and the maintenance and development of the open-source software protocol of the applicable cryptocurrency;
- forks in the applicable cryptocurrency network;
- consumer preferences and perceptions of such cryptocurrency specifically and cryptocurrencies generally;
- an active derivative market for such cryptocurrency or for cryptocurrencies generally;
- fees associated with processing a transaction of such cryptocurrency and the speed at which such transactions are settled; and
- decreased confidence in cryptocurrency exchanges due to the unregulated nature and lack of transparency surrounding the operations of cryptocurrency exchanges.

If cryptocurrency markets continue to be subject to sharp fluctuations, the Company may experience losses as the value of the fund's investments decline. Even if the Company can hold its investments in the funds for the long-term, the investments may never generate a profit, since cryptocurrency markets have historically experienced extended periods of flat or declining prices, in addition to sharp fluctuations. In addition, there is no assurance that cryptocurrencies will maintain their long-term value in terms of future purchasing power.

By some comparisons, the market for cryptocurrencies, by trade volume, is very shallow. Many coins may also be hoarded by a few owners. Ownership concentration can be high which creates greater market liquidity risk as large blocks of cryptocurrencies are difficult to sell in a timely and market efficient manner and well-connected customers can gain preferential treatment in order execution. The daily trade volume of cryptocurrencies is a fraction of total cryptocurrencies mined. The lack of a robust and regulated derivatives market for most cryptocurrencies means that market participants do not have a broad basket of tools at their disposal, making hedging difficult.

Momentum pricing typically is associated with growth stocks and other assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. The price of a cryptocurrency is determined primarily using data from various currency exchanges, over-the-counter markets, and derivative platforms. Momentum pricing of cryptocurrencies has resulted, and may continue to result, in speculation regarding future appreciation in the value of cryptocurrencies, inflating and making more volatile the price of such cryptocurrencies. Cryptocurrencies that lead the market are subject to even more speculation.

7.3. RISKS RELATING TO THE GEOGRAPHIES THE COMPANY INVESTS

The Company can invest globally and may invest in companies that have operations in regions with varying degrees of political, legal, and commercial stability. These regions may include, but are not limited to, the Commonwealth of Independent States, the Middle East, Africa, Asia, and Latin America. Political, civil and social pressures may result in administrative change, policy reform and/or changes in law or governmental regulations, which in turn can result in expropriation or nationalisation of investments and/or adversely affect the value or liquidity of such investments or an underlying investment entity or businesses or the Company's ability to obtain leverage.

The main regions that the Company currently invests are Israel, Europe with focus in South-East European ("SEE") Central and Eastern European ("CEE") countries and the United States of America.

Investments in emerging markets are subject to greater risks than developed markets and could have a material adverse effect on the performance of the Company

Emerging markets are generally subject to greater legal, economic, political, social, and fiscal uncertainty and instability than developed markets including a greater risk of nationalisation, expropriation or confiscatory taxation. In addition, the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible or may be subject to the imposition of other monetary or fiscal controls and restrictions.

Emerging markets are still in relatively early stages of their development and accordingly may not be highly or efficiently regulated. Moreover, emerging markets tend to be shallower and less liquid than more established markets which may adversely affect the Company's ability to realise its emerging market investments when it desires to do so or receive what it perceives to be their fair value in the event of a realisation. In some cases, a market for realising an investment may not exist locally, and in the case of investments in listed securities, transactions may need to be made on an alternative exchange. In addition, companies based in emerging markets are not generally subject to uniform accounting and financial reporting standards, practices, and requirements comparable to those applicable to companies based in more developed countries, thereby potentially increasing the risk of fraud and other deceptive practices. Settlement of transactions may be subject to greater delay and administrative uncertainties than in developed markets and less complete and reliable

financial and other information may be available to investors in emerging markets than in developed markets. There may also be uncertainty or restrictions in relation to extraction rights or licences and land ownership.

The Company may seek to realise its investments by selling into markets which are more fragmented, smaller, less liquid, and more volatile than the markets of more developed countries. Some markets in those countries in which the Company may invest have in the past experienced substantial price volatility and no assurance can be given that such volatility may not occur in the future. Liquidity and volatility limitations in these markets may adversely affect the Company's ability to dispose of its investments at the best price available or in a timely manner. Legislation and administrative practice in emerging markets often differ in many respects from and may be less certain than the legal environment of more established markets. In addition, some countries in which the Company may invest may provide inadequate legal remedies, enforcement procedures or mechanisms for recovery of the Company's investments in the event of a counterparty default.

As the Company may make investments in entities or businesses located in emerging markets, it may be exposed to any one or a combination of these risks, which could adversely affect the value of the Company's investments and therefore have a material adverse effect on the Company's results of operations, financial condition, and prospects, which could in turn affect the value of the ordinary shares.

The Company's financial performance will partly depend on the economic situation of the countries in SEE and CEE

The Company invested in companies and projects across Europe and specifically it has a focus in real estate projects in Poland, Italy and Romania. As such the Company's financial performance will partly depend on the economic situation of the countries in SEE and CEE and, in particular, the demand for office, commercial and residential space in the SEE and CEE countries in which the Company may invest. There can be no guarantee that the residential and commercial property markets in these countries will experience growth in their development.

Adverse political or economic developments in neighbouring countries could have a significant negative impact on, among other things, individual countries' GDP, foreign trade or economy in general. The Company's performance could be significantly affected by events beyond its control in SEE and CEE, such as a general downturn in the economy of the region, changes in regulatory requirements and applicable laws (including in relation to taxation and planning), the condition of financial markets in SEE and CEE and interest and inflation rate fluctuations. Such events could reduce the Company's income from its investments and/or capital value of its investments, and, consequently, could have an adverse impact on the NAV per ordinary share and Company's ability to pay distributions to its shareholders.

Deterioration in the western European economies can be expected to have an adverse effect on the amount of money spent in tourism, business travel and foreign direct investment and accordingly on property prices in SEE and CEE. With any investment in a foreign country there exists the risk of adverse political or regulatory developments, including (but not limited to) nationalisation, confiscation without fair compensation, terrorism, war or currency restrictions. The latter may be imposed to prevent capital flight and may make it difficult or impossible to exchange or repatriate foreign currency.

Conditions in Israel could materially and adversely affect the Company's and portfolio companies' business

The Company invests in companies (either directly or through funds or other structures) which operate in Tel Aviv, Israel and their employees, including founders and certain members of their management teams, are located in Tel Aviv, Israel. Accordingly, political, economic and military conditions in Israel and the surrounding region may directly affect those business and operations. Recently, there has been an unprecedented degree of political instability in Israel, with the collapse of the coalition government leading to a fifth set of elections for the Israeli parliament, or Knesset, in a short period of time. On the military front, in recent years, Israel has been engaged in sporadic

armed conflicts with Hamas, an Islamist terrorist organisation that controls the Gaza Strip, with Hezbollah, an Islamist terrorist organisation that controls large portions of southern Lebanon, and with Iranian-backed military forces in Syria. In addition, Iran has threatened to attack Israel and may be developing nuclear weapons. Some of these hostilities were accompanied by missiles being fired from the Gaza Strip, Lebanon and Syria against civilian targets in various parts of Israel. Any hostilities involving Israel, regional political instability or the interruption or curtailment of trade between Israel and its trading partners could materially and adversely affect the Company's investment operations and results.

Although the Israeli government currently covers the reinstatement value of property damage and certain direct and indirect damages that are caused by terrorist attacks or acts of war, such coverage would likely be limited, may not be applicable to any of the portfolio companies business (either due to the geographic location or the type of business that they operate) and may not reinstate any loss of revenue or economic losses more generally. Furthermore, there is no guarantee that this government coverage will be maintained or that it will sufficiently cover any potential damages. Any losses or damages incurred could have a material adverse effect on the Company's financial condition and results of operations.

Further, in the past, the State of Israel and Israeli companies have been subjected to economic boycotts. Several countries still restrict business with the State of Israel and with Israeli companies. These restrictive laws and policies may have an adverse impact on the expansion of the portfolio companies' business, financial condition and/or their results of operations. In addition, a campaign of boycotts, divestment and sanctions has been undertaken against Israel, which could also materially and adversely impact the portfolio companies' business.

In addition, many Israeli citizens are obligated to perform several days, and in some cases more, of annual military reserve duty each year until they reach the age of 40 (or older, for reservists who are military officers or who have certain occupations) and, in the event of a military conflict, may be called to active duty. In response to increases in terrorist activity, there have been periods of significant call-ups of military reservists. It is possible that there will be military reserve duty call-ups in the future. The operations of the Company's investments in Israel could be disrupted by such call-ups, particularly if such call-ups include the call-up of members of their management. Such disruption could materially and adversely affect the value of the Company's investments and therefore its financial condition and results of operations.

Uncertainty resulting from the Hellenic Republic's financial and economic crisis

Greece experienced an unprecedented financial crisis from 2008 to 2016. During this period, the Hellenic Republic faced significant pressure on its public finances and received financial assistance under consecutive stabilisation programmes sponsored by the International Monetary Fund ("**IMF**"), the EU, the European Central Bank ("**ECB**") and the European Stability Mechanism ("**ESM**"). The last financial assistance and stabilisation programme was agreed in August 2015 and was completed in August 2018 (the "**ESM Programme**").

In accordance with these stabilisation programmes, the Hellenic Republic committed to certain substantial structural measures intended to restore competitiveness and promote economic growth in the country. In August 2018, the Hellenic Republic concluded the ESM Programme with a successful exit and no fourth stabilisation programme was imposed. Nevertheless, as part of the post-stabilisation programme period, the Hellenic Republic has made specific policy commitments to complete key structural reforms initiated under the ESM Programme within agreed deadlines and has made a general commitment to continue to implement all key reforms adopted under the ESM Programme. Progress on the implementation of such reforms, as well as the economic developments and policies in Greece, are monitored under an enhanced surveillance framework in accordance with Regulation (EU) No 472/2013.

Potential delays in the completion of remaining reforms, the funds inflow from the Recovery and Resilience Facility ("**RRF**") and the rest of the commitments of the Hellenic Republic vis-à-vis the Eurogroup could impact the market assessment of the risks surrounding the creditworthiness of the Hellenic Republic and, therefore, create uncertainty regarding its ability to maintain continuous

access to market financing. Such a development could, in turn, have a material adverse impact on the portfolio companies liquidity position, business, results of operations, financial condition or prospects.

Moreover, notwithstanding the successful implementation and completion of the ESM Programme, the Greek economy, as impacted by the COVID-19 pandemic, may not achieve the sustained and robust growth that is necessary to ease the financial constraints of the country and improve conditions for foreign direct investment.

Further, the Hellenic Republic remains subject to downside risks in view of the very gradual improvement in household disposable income and the vulnerable financial position of a number of business entities. A continued depression in the Greek economy will have a significant material adverse effect on the portfolio companies business, financial condition, results of operations and prospects.

Political, geopolitical and economic developments of Hellenic Republic could adversely affect the investments operations and results

External factors, including political, geopolitical, and economic developments in the Hellenic Republic and the region may negatively affect our business, operations, and prospects in and outside of Greece. Portfolio companies financial condition and results of operation may be adversely affected by various events outside of their control, including but not limited to:

- changes in government and economic policies;
- political instability, military conflicts or geopolitical tensions that impact South-Eastern Mediterranean Europe and/or other regions, including tensions between Greece and Turkey;
- changes in the level of interest rates set by the ECB;
- regulations and directives relating to the banking and other sectors; and
- Taxation and other political, geopolitical, economic or social risks affecting the portfolio companies business development

Securitisations—the Hellenic Asset Protection Scheme ("HAPS")

Securitisations Greek law 3156/2003 (the “Securitisation Law”) sets out a framework for the assignment and securitisation of receivables in connection with either existing or future claims, originated by a commercial entity with registered seat in Greece or, resident abroad and having an establishment in Greece (a "**Transferor**") and resulting from the Transferor’s business activity. Article 10 of the Securitisation Law allows a Transferor to sell its receivables to a special purpose vehicle (an "**SPV**"), which must also be the issuer of notes to be issued in connection with the securitisation of such receivables. In particular, it provides that:

(a) the assignment of the receivables is to be governed by the assignment provisions of the Greek Civil Code, which provides that ancillary rights relating to the receivables including mortgages, guarantees, pledges and other security interests will be transferred by the Transferor to the SPV along with the transfer of the receivables;

(b) the transfer of the receivables pursuant to the Securitisation Law does not change the nature of the receivables, and all privileges which attach to the receivables for the benefit of the Transferor are also transferred to the SPV;

(c) a summary of the receivables sale agreement must be registered with the competent Registry of Transcription, in accordance with the procedure set out under Article 3 of Greek law 2844/2000 of the Hellenic Republic, following which registration

(i) the validity of the sale of the receivables and of any ancillary rights relating to the receivables is not affected by any insolvency proceedings concerning the Transferor or the SPV;

(ii) the underlying obligors of the receivables will be deemed to have received notice that there has been a sale of the receivables; and

- (iii) the legal pledge by operation of law over the securitised receivables and the separate account is established, as analysed under items (f) and (g) below;
- (d) the collection and servicing of the securitised receivables must be carried out by:
- (i) a credit institution or financial institution licensed to provide services in accordance with its scope of business in the European Economic Area; or
 - (ii) the Transferor; or
 - (iii) a third party that had guaranteed or serviced the receivables prior to the time of transfer to the SPV; (each of the entities under items (i) to (iii), referred to as the "**Servicer**").
- (e) if the SPV does not have a registered seat in Greece, and the securitised receivables are claims against consumers, payable in Greece, the Servicer of the securitised receivables must have an establishment in Greece;
- (f) any collection by the Servicer, in respect of the receivables, is made on behalf of the noteholders and the respective amounts are deposited in a collections account in the name of the issuer (separate from both the Transferor's and the Servicer's bankruptcy estate) held by it (if a credit institution) or with a credit institution operating in the EEA; and such collections account, any monies standing to its credit, and any security interest on behalf of the noteholders, may not be subjected to attachment, set-off or any other encumbrance sought to be imposed by any creditor of the Transferor, the Servicer, or by the account bank's creditors.
- (g) following the transfer of the receivables and the registration of the receivables sale agreement with the registry, in accordance Article 3 of Greek law 2844/2000 and the Securitisation Law, no security interest or encumbrance can be created over the receivables other than the one which is created pursuant to the Securitisation Law, in favour of the noteholders and the other creditors of the SPV, constituting a pledge by operation of law. Additionally, a pledge by operation of law is created on the collections account for the benefit of the noteholders and all other creditors of the SPV.
- (h) the claims of the holders of the notes issued in connection with the securitisation of the receivables and also of the other creditors of the SPV from the enforcement of the pledge operating by law will rank ahead of the claims of any statutory preferential creditors.

Uncertainty resulting from investing in the United Kingdom

The Company's operations may be materially and adversely affected as a result of constitutional change in the United Kingdom. The UK has now formally left the European Union. There are significant uncertainties as to what the impact will be on the fiscal, monetary and regulatory landscape in the UK, including inter alia, the UK's financial regulation and the conduct of cross-border business and export and import tariffs. There is also uncertainty in relation to how, when and to what extent these developments will impact the economy in the United Kingdom and the future growth of its various industries, and on levels of investor activity and confidence on market performance and on exchange rates. There is also a risk that the vote by the United Kingdom to leave could result in other member states reconsidering their respective memberships in the European Union. Although it is not possible to predict fully the effects of the exit of the United Kingdom from the European Union, any of these risks, taken singularly or in the aggregate, could have a material adverse effect on the portfolio companies business, revenue, financial condition, profitability, prospects and results of operations.

The United Kingdom has also experienced an unprecedented political turbulence over the last few weeks ending with the resignation of the Prime Minister, which affected significantly the macroeconomic environment of the country. Over the last few months there was significant volatility of the pound sterling, and the expectation of high inflation may lead to significant increases in interest rates which may affect real estate prices.

7.4. RISKS RELATING TO THE COMPANY'S SHARES

Admission of the Company's shares on the Emerging Companies Market of the CSE

The application for admission to trading of the Company's shares on the CSE concerns the Emerging Companies Market (ECM), a non-regulated market, which constitutes a Multilateral Trading Facility as defined and described in the Investment Services and Activities and Regulated Markets Law of 2017, L.87(I)/ 2017 (as amended), and to which usually apply for admission emerging or smaller-sized companies than the companies listed on the regulated markets of the CSE.

The Company's shares are not a suitable investment for all investors

Any potential investor in any shares listed on a non-regulated market, such as the ECM of the CSE, must evaluate the appropriateness of such investment taking into consideration the specific characteristics of such shares and of such market. Specifically, any potential investor should:

- have the necessary knowledge and experience so as to be able to carry out a meaningful evaluation and understanding of risks inherent in such an investment, in the context of such investor's economic situation, the investment in the shares of the company and the impact of such an investment on such investor's total portfolio;
- have sufficient financial resources and liquidity in order to be able to bear all the risks of such investment;
- acknowledge that such investor may not be able to sell any shares for a long time or at all; and
- be able to evaluate (either himself/herself/itself or through financial advisors) possible scenarios regarding the factors that may affect the investment like the wider economic environment, or other factors, and such investor's ability to take risks contained in the investment.

Changes in the stock price

Stock markets worldwide may be affected at any time due to significant changes in terms of stock prices and volume. The price of the Company's shares can fluctuate due to the aforementioned changes and not because these changes are connected directly with the business and prospects of the Company. The general economic, political and stock market conditions, such as economic recession, fluctuations in interest and exchange rates, may significantly affect the price and demand for the shares of the Company.

In addition, the financial results of the Company may, during some periods, deviate significantly from the expectations of investors and analysts. Each of these factors may result in the fall of the Company's share price. Failure of the investors to immediately and effectively evaluate the financial results and prospects of the Company may result in significant fluctuations of the Company's market price. Moreover, the velocity of the Company's shares may be low as a result of the relevant low trading volume of the CSE compared to other international markets. As a result, there can be no assurance that the shares of the Company may not trade on the CSE at a lower price than the admission price.

Other factors which may cause significant deviations in the share price, include, but are not limited to:

- facts or claims which may negatively affect the credibility of the Company;
- the course of the Cyprus economy;
- significant fluctuations in the stock markets in general, in terms of both the share prices and the volume of transactions;
- political instability or military conflict in Cyprus or abroad, for example the war in Ukraine;
- terrorist acts, acts of war or periods of widespread civil unrest with wider implications in the international and local capital market;
- natural disasters and other calamities, including pandemics (such as COVID-19);

- the overall state of the capital markets and investors' confidence in capital markets globally or locally;
- publication of research reports about the Company, its competitors or the industries in which the Company operates or invests; or
- changes in the investor interest and in the velocity of the Company's share as a result of changes in the volume of transactions.

The Cyprus Stock Exchange is less liquid and more volatile than other stock exchanges

Upon approval of the application of the Company for listing of its ordinary shares on the CSE, the Company's shares will be traded on the ECM. The CSE is less liquid than other major stock markets elsewhere in Europe and the United States. Consequently, the shareholders of the Company may face difficulties in selling their shares, especially in large blocks. The market price of the Company's shares may be adversely affected by any sale of a significant number of shares after the Company's admission on the ECM market of the CSE or by the perception that such sale could occur. In the past, the market prices of shares listed on the CSE have experienced significant fluctuations. This has affected in the past and may in the future affect the market price and the liquidity of the shares of companies listed on the CSE, including the shares of the Company.

Interest rate risks may reduce any net return to shareholders

Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements, and other factors beyond the control of the Company.

Changes in interest rates can affect the profitability of the Company by affecting the spread between, among other things, the income on the Company's assets and the expense of its interest-bearing liabilities, the value of any interest-earning assets, its ability to make acquisitions and their ability to realise gains from the sale of their assets. In the event of a rising interest rate environment and/or economic downturn, loan defaults may increase and result in credit losses that may be expected to adversely affect the liquidity and operating results of the Company and the level of distributable reserves.

The Company may finance its investments with both fixed and floating rate debt. With respect to such floating rate debt, the performance of an investment may be adversely affected if the Company fails to limit the effects of interest rate changes on its operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. There can, however, be no assurance that such arrangements will be entered into or be available at all times when the Company wishes to use them or that they will be sufficient to cover the risk exposure in a cost-effective manner. The Company will also be exposed to the credit risk of the relevant counterparty with respect to relevant payments in connection with such arrangements.

Credit risk arising from the provision of financing may reduce the return to the shareholders

As part of its operations and its investment strategy, the Company provides financing to related and third parties and there is a risk that the counterparty will not meet its obligations under a financial instrument or facility agreement. As at 31 December 2021 and 31 October 2022, the carrying amount of financial assets was c. €74,4 million and c.€104,8 million respectively (or 41,0% and 30,9% respectively of the total assets), representing the maximum credit exposure.

Any material write-off or impairment due to the inability of the counterparty to meet its obligations may adversely affect the Company's results of operations, financial condition and the level of distributable reserves to the shareholders.

Foreign currency risk may affect the net asset value of the Company and the value of each share and reduce any net return to shareholders

Foreign currency risk is the risk that the fair value or cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk arises when future transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to United States Dollars. As at 31 December 2021, the Company had c. 64,4% of its total assets (i.e., c.€116,7m) denominated in United States Dollars.

The Company may not be able to pay distributions at the levels envisaged by its stated distribution policy

All dividends or other distributions will be made at the absolute discretion of the Board of Directors and in accordance with the Articles of Association. The payment of any distribution in accordance with the Company's distribution policy will depend upon a number of factors, including the availability of sufficient distributable reserves. The generation of profits for distribution depends on many factors, including (among other things) the successful management of the Company's investments, the Company's success in investing in accordance with the investing policy, the timing and terms of disposals, market conditions, interest costs, taxes, and profits on sale of relevant investments. The Company cannot guarantee that it will generate sufficient profits or cash flows to pay dividends to its shareholders. In addition to the above, in the case of insolvency, equity holders may not receive any return on their investment until all the creditors or holders of claims referred to above are paid in full and accordingly, there may not be sufficient funds in the Company to pay any returns to its equity holders.

The Company's ability to pay distributions to shareholders will, in part, depend on the availability and upstream payment of cash to the Company

It is likely that the Company will hold its investments indirectly through intermediate and asset holding entities. The Company therefore may not directly receive cash generated by the underlying assets and may be reliant on the upstream distribution of cash or intercompany loan payments from intermediate and asset owning entities.

The ability of intermediate and asset owning entities to make upstream cash distributions or loans to the Company is generally subject to applicable laws, such as entities' organisational documents, maintenance of capital rules, the terms of financing arrangements, accounting treatment and other factors. Applicable laws may require such entities to, among other things, comply with restrictions on the amounts distributed by way of dividend, capital and reserve maintenance principles or require them to obtain shareholder or court approval. Applicable laws may also restrict the making of any distribution, loan or other payment or the timing thereof.

There can be no assurance that the intermediate and asset owning entities will be able to comply with any laws or requirements, and therefore, cash payments may not be available to the Company, which would materially adversely affect the Company's ability to pay its liabilities as they fall due and/or make distributions to shareholders.

The Company may not pay additional distributions on the ordinary shares, and, consequently, the shareholders may not receive any return on investment unless they sell their ordinary shares for a price greater than that which they had paid for it

Any decision to declare and pay special or regular distributions will be made at the discretion of the Directors of the Company and in accordance with the Articles of Association and will depend on, among other things, the results of operations, financial condition, cash requirements, contractual restrictions and other factors that the Board of Directors may deem relevant. In addition, the Company's ability to pay distributions may be limited by covenants of any existing and future outstanding indebtedness that the Company or any of its portfolio companies incur, including credit facilities and outstanding notes. As a result, the shareholders may not receive any return on an

investment in the ordinary shares unless the shareholders sell their ordinary shares for a price greater than that which they had paid for it.

Given the illiquid nature of the Company's investments and the long-term nature of its investments, distributions are, at least in the medium term, unlikely to be paid with regularity in terms of time and quantum.

Shareholders whose principal currency is not the Euro may be subject to exchange rate risk

The Company's shares are denominated in Euro and will be quoted in Euro on the Cyprus Stock Exchange. Any distributions to be paid in respect of the Company's shares will be denominated in Euro. Accordingly, any investor whose principal currency is not the Euro is exposed to foreign currency exchange rate risk, which may reduce the value of the shares as well as the value of any distributions paid by the Company.

An active market for the ordinary shares may fail to develop following the listing

The shares in the Company will only be listed on the Emerging Companies Market (ECM) of the CSE, a non-regulated market, which constitutes a multilateral trading facility, as such is defined in the Investment Services and Activities and Regulated Markets Law of 2017 (L.87(I)/2017) which has very low liquidity.

An active market may fail to develop for the Company's shares. There can be no assurance that an active trading market will develop or be sustained following the completion of the listing. Such listing should not be taken as implying that there will be a liquid market for the Company's shares.

If an active trading market for the Company's shares does not develop, shareholders may not be able to sell their shares at or above their market price at the time of the listing. Moreover, the market price of the shares may be significantly lower than the NAVPS of the Company.

The Nominated Advisor of the Company may change at any given time

In case the Nominated Advisor of the Company resigns, is terminated by the Company for any reason or is deleted from the register of the Nominated Advisors kept with the CSE for any reason, then the Company will need to appoint another Nominated Advisor, which may have an impact on the price of the ordinary shares.

Local laws or regulations may mean that the status of the Company or the ordinary shares is uncertain or subject to change, which could adversely affect investors' ability to hold ordinary shares

For regulatory and tax purposes, the status and treatment of the Company and the ordinary shares may be different in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the ordinary shares may be treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the regulatory and tax status of the Company and/or the ordinary shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or as a result of disclosures made by the Company. Changes in the status or treatment of the Company or the ordinary shares for regulatory and/or tax purposes may have unforeseen effects on the ability of investors to hold ordinary shares or the consequences to investors of doing so.

Non-adoption of Corporate Governance Code

The Company has not adopted and does not propose to adopt the Corporate Governance Code of the CSE in its entirety and is not subject to any legal and/or other regulatory provisions requiring it to maintain independent directors on its Board and/or to implement any particular governance requirements (other than those set out in the Company's Articles of Association).

Company's dependence on the Founder and third parties

The Company's liquidity may from time to time be dependent on funding from the Founder and/or third parties and/or the assignment of private loan facility agreements from the Founder to the Company. Any failure of the Company to secure funding from the Founder and/or a credible third party could have a material adverse effect on its capital resources, as well as its ability to execute investment transactions for the development of the Company's business plan, which could in turn adversely affect the Company's financial position and the Company's ability to make anticipated distributions.

Warrant Rights

The Company intends, subject to the shareholders' approval and applicable law, to grant warrants to the Founder and any members of the management team, exercisable on such terms and conditions as the Company may deem fit.

In view of this, and subject to the terms and conditions under which such warrants may be exercised, the Founder and any members of the management team may acquire additional shares in the Company's issued share capital at the relevant time.

Long terms incentive plan

The Company intends, subject to the shareholders' approval and applicable law, to implement long term incentive plan(s) to remunerate and / or reward the Founder and any members of the management team.

In view of this, and subject to the terms and conditions of such long-term incentive plan(s), the beneficiaries of such incentive plan(s) may acquire shares or additional shares, as the case may be, in the Company's issued share capital at the relevant time.

Provisions in the Company's constitutional documents may deter takeover efforts that may be beneficial to shareholder value

Provisions in the Company's Articles of Association could make it harder for a third party to make an offer to acquire the Company and/or to effect a change of the Company's control, even if doing so might be beneficial to the shareholders. As a result, this may have an impact on the market price of the ordinary shares, and shareholders may lose their ability to sell their shares or sell them for a price in excess of the prevailing market price due to these protective measures.

Prohibited Members

The Articles of Association of the Company confer on the Directors of the Company the power to suspend any voting rights and/or any rights to participate in distributions made by the Company with respect to shares in the Company held by or in relation to which a person has an interest (the "**Prohibited Shares**"), in the event that such person qualifies as a Prohibited Member (as this term is defined in the Articles of Association of the Company) and/or, order the mandatory disposal of such shares.

If any potential investor interested in the shares that will be held by such investor is or is likely to become a Prohibited Member, then such investor runs the risk of having the voting and/or economic rights attached to the shares suspended and/or of having the shares mandatorily disposed of pursuant to and in accordance with the provisions of the Company's Articles of Association.

Investors' percentage ownership in the Company may be diluted by future issuances of shares, which could reduce the investors' influence over matters on which shareholders vote

The Company's Board of Directors has the authority, without action or vote of the shareholders, to issue all or any part of authorised but unissued share capital, subject to the certain rights of pre-emption provided for in the Articles of Association of the Company and the law. Unless the pre-

emption rights are fully exercised by the Company's shareholders any such future issuances could reduce the investors' influence over matters on which shareholders vote and in the case of issuances of shares with preferred rights, this would likely result in the investors' interest in the Company being subject to the prior rights of holders of such preference shares.

The market value of the Company may differ from its fair value

The Company holds a diversified portfolio of investments and aims to invest in a broad selection of portfolio companies which are located in various jurisdictions, operate in different industries, follow different strategies and are at a different stage of their lifecycle. Due to the variety of its investments, the Company may be classified as a conglomerate by market participants. The value of a conglomerate is usually derived by the summation of the value of each investment or investment area, and if an investment or investment area is performing below par, the value of the Company will ultimately decrease. Markets and market participants tend to apply a discount, commonly referred to as "conglomerate discount", to the fundamental value of diversified companies and as a result the summation of the investment areas may be worth more if split up and managed separately, compared to the value derived by market participants of the whole.

8. TAX REGIME

The following is a general summary of certain tax aspects under Cypriot law as at the date of this Admission Document and does not purport to be a comprehensive description of all tax aspects relating to the acquisition, holding or disposal of shares. If any amendments are made to the Cypriot legislation, the existing provisions at the time will apply.

The shareholders of the Company or prospective investors should consult their own tax and other professional advisors as to the specific tax consequences of acquiring, holding and disposing of the shares.

8.1. TAX REGIME FOR THE COMPANY

Income Tax

The Company is registered in the Republic of Cyprus as a legal person (public company). It is a tax resident of the Republic of Cyprus and is taxed in accordance with the provisions of the tax laws in its worldwide income, taking into account certain exemptions. As of 1 January 2013, corporation tax in Cyprus is 12,5%.

Any activities of the Company in other countries are subject to tax in accordance with the tax laws of those countries taking also into consideration the provisions of any Agreements for the Avoidance of Double Taxation concluded between Cyprus and those other countries and the provisions of the Directives and Regulations of the European Union (EU).

Deemed Distribution Provisions

A Cypriot corporation which does not distribute at least 70% of its after-tax profits within two years of the end of the year in which the profits arose would be deemed to have distributed this amount as a dividend two years after that year-end. The special defence contribution, at a rate of 17% would be payable by the corporation on deemed dividends to the extent that its ultimate shareholders (individuals) are Cyprus tax residents and domiciled in Cyprus. Deemed distribution does not apply in respect of profits that are directly or indirectly attributable to shareholders that are non-resident in Cyprus. The special defence contribution may also be payable on deemed dividends in case of liquidation or capital reduction of the corporation on any amount which exceeds the capital injected in the corporation. The corporation will debit such special defence contribution paid against the profits attributable to such shareholders. The amount of deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time up to the date of the deemed distribution.

General Healthcare System ("GHS") contribution

From 1 March 2019, Cypriot corporations pay on behalf of their shareholders, who are natural persons and Cyprus tax residents, a contribution on deemed dividends to the General Healthcare System. From 1 March 2019 the GHS contribution was 1,70% and from 1 March 2020 the contribution increased to 2,65%, with the exemption of the period from April 2020 to June 2020 when the applicable contribution rate was 1,70%.

In case where the emoluments, pensions and other income of Cypriot tax resident individuals, exceed €180.000 per annum, GHS contribution is payable only on the maximum amount of €180.000. Investors should seek advice from a specialist tax advisor in relation to this matter.

8.2. TAX REGIME FOR INVESTORS

It is noted that the tax treatment for the investment income of every investor is subject to a number of factors and parameters and investors should seek advice from a specialist tax advisor.

Generally, income tax is levied in Cyprus on the worldwide income of persons considered to be tax resident in Cyprus. With certain exceptions, persons who are not resident in Cyprus and who do not carry on a business in Cyprus are not subject to Cypriot income tax.

8.3. TAXATION OF DIVIDENDS

Dividends distributed by Cyprus tax resident corporations are subject to Special Contribution for the Defence Law of Cyprus and the General Healthcare System Law. Taxation depends on the tax status of the recipient of the dividend. In case of taxation, a special defence contribution is levied at the rate of 17% and a GHS contribution is levied at the rate of 2,65%.

In case where the emoluments, pensions and other income of Cypriot tax resident individuals, exceed €180.000 per annum, GHS contribution is payable only on the maximum amount of €180.000. Investors should seek advice from a specialist tax advisor in relation to this matter.

Cyprus Tax Residents - Corporations

Dividends distributed by Cyprus tax resident corporations to other Cyprus tax resident corporations, are exempt from tax in cases where the profits from which such dividends are derived were not subjected to the deemed distribution provisions of the legislation. The exemption does not apply in the case where such dividends are paid indirectly (through a structure of group companies resident in Cyprus), after the end of four (4) years from the end of the year in which these profits emanate.

A Cyprus tax resident corporation is a corporation whose management and control are exercised in Cyprus or with effect from 31 December 2022, a company which is incorporated or registered in Cyprus, whose management and control is exercised outside Cyprus, so long as it is not tax resident in any other state.

Cyprus Tax Residents – Natural persons

Dividends distributed by Cyprus tax resident corporations to Cyprus tax residents who are domiciled or have a domicile of choice in Cyprus are subject to special defence contribution which is levied at the tax rate which is in force at the time, currently at 17%. The defence contribution on such dividends is withheld by the company paying the dividend at the time the dividend is paid.

Payment of dividends to individuals who are tax residents in Cyprus are also subject to GHS contribution, currently at 2,65%. The GHS contribution on such dividends is withheld by the company paying the dividend at the time the dividend is paid.

In case where the emoluments, pensions and other income of Cypriot tax resident individuals, exceed €180.000 per annum, GHS contribution is payable only on the maximum amount of €180.000. Investors should seek advice from a specialist tax advisor in relation to this matter.

Cyprus Tax Residents are:

- (i) Individuals who stay in Cyprus for a period or periods exceeding in aggregate 183 days in the year of assessment; and
- (ii) With effect from 1 January 2017, individuals who stay in Cyprus for a period of 60 days and, who satisfy the following criteria:
 - The individual does not stay in any other country for one or more periods exceeding in aggregate 183 days in the same tax year;
 - The individual is not a tax resident in any other country for the same tax year;
 - The individual exercises any business in Cyprus and/or is employed in Cyprus and/or is an officer of a Cyprus tax resident person at any time during the relevant tax year; and provided that such is not terminated during the tax year; and
 - The individual maintains a permanent residence in Cyprus (by owning or leasing the said residence).

Cyprus domiciled individuals

An individual is considered to have his domicile in Cyprus if:

- a) subject to certain exceptions, if he/she has his/her domicile of origin in Cyprus based on the provisions of the Cyprus Wills and Succession Law, Cap.195, or
- b) has been a tax resident of Cyprus for at least 17 years out of the last 20 years prior to the tax year.

Non-Cypriot Tax Residents

Dividends derived from Cyprus tax resident corporations and paid to non-domiciled/ non-Cyprus tax residents (natural or legal persons) are exempt from corporation tax and the special defence contribution in Cyprus, provided that the non-Cyprus tax resident submits to the Company, on an annual basis, the relevant tax questionnaire in which he declares his tax residence and country of domicile.

8.4. TAXATION OF INTEREST

Interest received by the Cyprus tax residents is taxed in accordance with the provisions of the Special Contribution for the Defence Law of Cyprus of 2002 (Law 117(I)/2002) and the General Healthcare System Law of 2001 (Law 89(I)/2001). In cases where the interest income is considered to arise in the ordinary course of business or is closely related to activities in the ordinary course of business or is received by a collective investment scheme, it is taxed in accordance with the provisions of the Income Tax Law of 2002 (Law 118 (I)/2002).

Interest received by non-tax residents of Cyprus (natural or legal persons) or non-Cyprus domiciled physical persons, is not subject to tax in Cyprus.

8.5. TAXATION OF GAINS ON DISPOSAL OF SHARES WHICH ARE LISTED ON THE CSE

Any gains from the disposal of shares and other companies' titles which are listed on the CSE are exempt from taxation, from corporate or special defence contribution tax.

8.6. EXCISE DUTY ON CSE TRANSACTIONS

Since 1st January 2014, transactions made on the CSE, or announced on the CSE are not subject to excise duty on stock exchange transactions.

9. FINANCIAL INFORMATION

The interim condensed financial statements for the six-month period ended 30 June 2022 as well as the audited financial statements of the Company for the years ended 31 December 2021 and 31 December 2020 are enclosed as Appendix A of this Admission Document.

The net asset value of the Company as at 30 June 2022 is €108.265.792. The net asset value of the Company for the financial year ended 31 December 2021 and 31 December 2020 is €86.163.936 and €17.656.660 respectively.

The interim condensed financial statements of the Issuer:

- (i) have been prepared in accordance with the International Accounting Standard 34;
- (ii) have been reviewed by a recognized audit firm; and
- (iii) give a true and fair view of assets and liabilities, financial position and the results of the Issuer.

The annual financial statements of the Issuer:

- (i) have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap.113, relating to the financial statements of companies, and in accordance with the International Financial Reporting Standards or other type set by a CSE Council decision;
- (ii) have been audited by a recognized audit firm in accordance with International Standards on Auditing;
- (iii) give a true and fair view of assets and liabilities, financial position and results of the Issuer, including its financial performance and cash flows; and
- (iv) for the financial year preceding the listing application, being the financial year ended 31 December 2021, there is no reservation or declaration of failure to express opinion or substantial uncertainty or any matter that investors' attention should be drawn in the independent auditors' report.

10. FURTHER INFORMATION ON THE SHARES OF THE ISSUER

- There are no restrictions on the free transferability of securities.
- Other than as disclosed in Section 4.11.1. – "*Key provisions of the Articles of Association*", Section 4.11.3. – "*Warrant and long-term incentive plan*" and Section 4.11.4. – "*Management team performance incentive scheme*", the Company has not granted special rights to any shareholder or shareholders. The titles proposed for listing (i.e., 384.804.792 ordinary shares of nominal value €0,50) are fully paid as at the date of this Admission Document.
- Dividend policy of the Company: The Board of Directors of the Company proposes the payment of dividends to shareholders after taking into account the Company's financial results, any financial and re-investment needs and prevailing market conditions.
- The admission of the Company's ordinary shares relates to all shares of the same class which have been issued.

In addition to the above, the Issuer declares that:

- The Company has been legally incorporated in accordance with the Cyprus Companies Law, Cap.113, and is a public limited liability company and has the power to issue shares to the public;
- The Company has the power to issue the shares for which it seeks admission to listing on the ECM Market of the CSE in accordance with the applicable laws and regulations of its place of incorporation and its Articles of Association;
- The Company has no titles listed on a stock exchange abroad;

- Save as disclosed in this document, the Company is not committed against anyone in a way which is incompatible with the interests of the shareholders;
- The Company ensures the equal treatment of all shareholders of the same class, in relation to all rights or obligations relating to the shares;
- The Company ensures that any future issue will be offered initially to the existing shareholders on a pro-rata basis, unless if the shareholders decide differently by virtue of a special resolution; and
- The Company does not intend to implement the CSE's Code of Corporate Governance in its entirety but intends to hold board meetings as and when required in order to review the Company's strategy, financial performance, investment policy, objectives and risks, as well as human resource matters. It is noted that the Company's Corporate Governance Policy is based on selected aspects of the UK Corporate Governance Code 2018, the Cyprus Stock Exchange Code on Corporate Governance and the Wates Corporate Governance Principles for Large Private Companies 2018.

11. OTHER INFORMATION ABOUT THE ISSUER

- The expected market capitalization of the Company, as estimated by reference to the proposed admission price and the number of ordinary shares in issue, is €192.402.396, divided into 384.804.792 ordinary shares with a trading price of €0,50.
- The Issuer is willing and able to deliver the Shareholder Register to the Central Securities Depository and Central Registry and to fulfil any obligation thereof.

SIGNATURE

The Cyprus Investment and Securities Corporation Limited
Nominated Advisor

CISCO 

Regulated by the Cyprus Securities and
Exchange Commission CIF: 003/03

Marios Alexandrou
Member of the Board
and Secretary of the Issuer

APPENDIX A – INTERIM AND AUDITED FINANCIAL STATEMENTS

The following are the interim condensed financial statements of the Company for the six-month period ended 30 June 2022 and the audited financial statements for the years ended 31 December 2021 and 31 December 2020.

PAPADUCK INVESTMENTS LIMITED

Interim Condensed Financial Statements
Period ended 30 June 2022

PAPADUCK INVESTMENTS LIMITED

Interim Condensed Financial Statements Period ended 30 June 2022

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PAPADUCK INVESTMENTS LIMITED

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors

Marios Alexandrou
Vassilios Hadjivassiliou
Ioannis Papalekas
Alon Bar

Company Secretary

Marios Alexandrou

Independent Auditors

Ernst & Young Cyprus Ltd
Certified Public Accountants and Registered Auditors
6 Stasinou Avenue
Jean Nouvel Tower
P.O. Box 21656
1511 Nicosia, Cyprus

Registered Office

48 Themistokli Dervi
Athienitis Centennial Building
Floor 7, Flat 703
1066, Nicosia
Cyprus

Bankers:

Bank Julius Baer & Co. Ltd
UBS Switzerland AG
CBH Compagnie Bancaire Helvetique
Eurobank Cyprus Ltd

Registration number

HE398572



Ernst & Young Cyprus Ltd
Jean Nouvel Tower
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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying interim condensed financial statements of Papaduck Investments Limited (the “Company”) as at 30 June 2022, which comprise the interim condensed statement of financial position and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Nick Nicolaou
Certified Public Accountant and Registered Auditor
For and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
30 September 2022

PAPADUCK INVESTMENTS LIMITED

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME for the period ended 30 June 2022

		<i>1/1/2022 to 30/6/2022 Euro</i>	<i>1/1/2021 to 30/6/2021 Euro</i>	<i>1/1/2021 to 31/12/2021 Euro</i>
Revenue	3	3.313.304	460.762	1.995.931
Other operating income		-	1.787	1.787
Administration expenses		(717.096)	(738.370)	(2.091.332)
Other expenses		-	-	(448.354)
Operating profit / (loss)		2.596.208	(275.821)	(541.968)
Net finance income / (cost)		581.038	(86.498)	(150.416)
Profit / (loss) before tax		3.177.246	(362.319)	(692.384)
Taxation		(75.390)	(34.040)	(164.881)
Net profit / (loss) for the period / year		3.101.856	(396.359)	(857.265)
Other comprehensive income for the period / year		-	-	33.864.541
Total comprehensive income / (loss) for the period / year		3.101.856	(396.359)	33.007.276

PAPADUCK INVESTMENTS LIMITED

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

30 June 2022

	Note	30/6/2022 Euro	30/6/2021 Euro	31/12/2021 Euro
ASSETS				
Non-current assets				
Investments in subsidiaries		-	11.000	-
Investments in associates		44.488.139	44.488.139	44.488.139
Financial assets at fair value through other comprehensive income	4	79.528.409	9.264.613	58.520.839
Loans receivable	5	44.700.426	34.426.567	51.786.417
Total Non-current assets		168.716.974	88.190.319	154.795.395
Current assets				
Receivables		3.166.414	2.230.753	3.210.162
Loans receivable	5	20.922.063	2.460.139	-
Financial assets at fair value through profit or loss		4.777.445	-	3.924.874
Cash and cash equivalents	6	3.911.702	24.063.784	19.368.998
Total Current assets		32.777.624	28.754.676	26.504.034
TOTAL ASSETS		201.494.598	116.944.995	181.299.429
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital	7	65.604.010	13.021	13.121
Share Premium	7	-	37.590.989	46.590.889
Fair value reserve – Financial assets at fair value through other comprehensive income		33.864.541	-	33.864.541
Retained earnings		8.797.241	6.156.291	5.695.385
Total equity		108.265.792	43.760.301	86.163.936
Non-current liabilities				
Borrowings		92.010.651	72.001.848	92.006.089
Total Non-current liabilities		92.010.651	72.001.848	92.006.089
Current liabilities				
Trade and other payables		680.856	740.766	2.677.080
Bank overdraft	6	9.585	4.437	-
Other financial liabilities		380.000	400.000	380.000
Current tax liabilities		147.714	37.643	72.324
Total Current liabilities		1.218.155	1.182.846	3.129.404
Total liabilities		93.228.806	73.184.694	95.135.493
TOTAL EQUITY AND LIABILITIES		201.494.598	116.944.995	181.299.429

On 29 September 2022 the Board of Directors of Papaduck Investments Limited authorised these interim condensed financial statements for issue.


Marios Alexandrou


Alon Bar

PAPADUCK INVESTMENTS LIMITED

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY for the period ended 30 June 2022

	Note	Share capital €	Redeemable shares €	Share premium €	Financial assets at fair value through other comprehensive income €	Fair value reserve	Retained earnings €	Total €
Balance at 1 January 2021		11,021	-	11,092,989	-	-	6,552,650	17,656,660
Comprehensive loss		-	-	-	-	-	(396,359)	(396,359)
Net loss for the period								
Transactions with owners								
Issue of share capital		-	2,000	26,498,000	-	-	-	26,500,000
Balance at 30 June 2021		<u>11,021</u>	<u>2,000</u>	<u>37,590,989</u>	<u>-</u>	<u>-</u>	<u>6,156,291</u>	<u>43,760,301</u>
Balance at 1 January 2022		11,021	2,100	46,590,889	33,864,541	-	5,695,385	86,163,936
Comprehensive income								
Net profit for the period		-	-	-	-	-	3,101,856	3,101,856
Transactions with owners								
Issue of share capital	7	1	100	18,999,899	-	-	-	19,000,000
Conversion of share premium to ordinary share capital	7	65,590,788	-	(65,590,788)	-	-	-	-
Conversion of redeemable shares to ordinary shares	7	2,200	(2,200)	-	-	-	-	-
Balance at 30 June 2022		<u>65,604,010</u>	<u>-</u>	<u>-</u>	<u>33,864,541</u>	<u>-</u>	<u>8,797,241</u>	<u>108,265,792</u>

PAPADUCK INVESTMENTS LIMITED

INTERIM CONDENSED STATEMENT OF CASH FLOWS for the period ended 30 June 2022

	Note	1/1/2022 to 30/6/2022 €	1/1/2021 to 30/6/2021 €	1/1/2021 to 31/12/2021 €
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(loss) before tax		3,177,246	(362,319)	(692,384)
Adjustments for:				
Unrealised exchange profit		(633,769)	(599)	(957,128)
Net loss from the sale of financial assets at fair value through profit or loss		-	-	30,136
Fair value (gains)/losses on financial assets at fair value through profit or loss		(852,571)	-	418,218
Dividend income	3	(637,026)	(42,910)	(42,910)
Interest income	3	(1,823,707)	(417,852)	(1,953,021)
Interest expense		7,120	11,180	26,006
Loan receivable expense		-	-	1,000,000
		<u>(762,707)</u>	<u>(812,500)</u>	<u>(2,171,083)</u>
Changes in working capital:				
Decrease/(increase) in receivables		43,748	385,736	(593,673)
Increase in financial assets at fair value through profit or loss		-	-	(4,393,228)
Increase in other financial liabilities		-	400,000	380,000
(Decrease)/increase in trade and other payables		<u>(1,996,225)</u>	<u>(335,899)</u>	<u>1,600,417</u>
Cash used in operations		(2,715,184)	(362,663)	(5,177,567)
Dividends received		637,026	42,910	42,910
Tax paid		-	-	(96,160)
Net cash used in operating activities		<u>(2,078,158)</u>	<u>(319,753)</u>	<u>(5,230,817)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payment for purchase of financial assets at fair value through other comprehensive income	4	(21,007,570)	(6,276,784)	(22,699,900)
Payment for purchase of investments in subsidiaries		-	-	(65,000)
Payment for purchase of investments in associated undertakings		-	(2,016,640)	(2,016,640)
Loans granted	5	(14,063,094)	(27,477,686)	(44,165,966)
Loans repayments received	5	2,696,550	-	3,927,150
Proceeds from sale of financial assets at fair value through other comprehensive income		-	-	84,363
Net cash used in investing activities		<u>(32,374,114)</u>	<u>(35,771,110)</u>	<u>(64,935,993)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of share capital	7	19,000,000	26,500,000	35,500,000
Repayments of borrowings		-	(43,558,240)	(43,558,243)
Proceeds from borrowings		-	72,000,000	92,000,000
Unrealised exchange profit/(loss)		(12,051)	-	396,186
Interest paid		<u>(2,558)</u>	<u>(9,332)</u>	<u>(19,917)</u>
Net cash generated from financing activities		<u>18,985,391</u>	<u>54,932,428</u>	<u>84,318,026</u>
Net increase/(decrease) in cash and cash equivalents		<u>(15,466,881)</u>	<u>18,841,565</u>	<u>14,151,216</u>
Cash and cash equivalents at beginning of the period / year		<u>19,368,998</u>	<u>5,217,782</u>	<u>5,217,782</u>
Cash and cash equivalents at end of the period / year		<u>3,902,117</u>	<u>24,059,347</u>	<u>19,368,998</u>

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2022

1. Corporate information

Country of incorporation

Papaduck Investments Limited was incorporated in Cyprus on 5 June 2019 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office was at 20 Spyrou Kyprianou, Chapo Central, first floor 1075 Nicosia, Cyprus until 7 January 2021. As from 7 January 2021 onwards, its registered office is at 48 Themistokli Dervi, Athienitis Centennial Building, Floor 7, Flat 703, 1066, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of financing.

2. Basis of preparation

The interim condensed Financial Statements for the period ended 30 June 2022 have been prepared in accordance with the International Financial Reporting Standard IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The Interim Condensed Financial Statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2021.

3. Revenue

Revenue is analysed as follows:	1/1/2022 - 30/6/2022	1/1/2021 - 30/6/2021
	€	€
Dividend income	637.026	42.910
Loan interest income	1.823.707	417.852
Fair value from financial assets at fair value through profit or loss	852.571	-
Balance at 30 June	3.313.304	460.762

4. Financial assets at fair value through other comprehensive income

	30/6/2022	31/12/2021
	€	€
Balance at 1 January	58.520.839	2.987.829
Additions	21.007.570	22.699.900
Disposals	-	(1.031.431)
Revaluation difference transferred to equity	-	33.864.541
Balance at 30 June / 31 December	79.528.409	58.520.839

The details of the investments are as follows:

	30/6/2022	31/12/2021
	€	€
Investments in unquoted equity securities	61.129.172	48.406.134
Investments in partnerships and funds	18.399.237	10.114.705
	79.528.409	58.520.839

These investments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management of the Company has elected to designate these investments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realizing their performance potential in the long run.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2022

4. Financial assets at fair value through other comprehensive income (continued)

The above investments are not recognized at fair value as at 30 June 2022, since the Company performs revaluation on the mentioned investments on 31 December of each financial year.

5. Loans receivable

	30/6/2022	31/12/2021
	€	€
Balance at 1 January	51.786.417	8.990.570
New loans granted	14.063.094	45.165.966
Repayments	(2.696.550)	(3.927.150)
Interest charged	1.823.707	1.953.021
Loan receivable expense	-	(1.000.000)
Foreign exchange difference	645.821	604.010
Balance at 30 June / 31 December	65.622.489	51.786.417

	30/6/2022	31/12/2021
	€	€
Loans to third parties	47.423.720	44.726.212
Loans to related parties (Note 8.2)	18.198.769	7.060.205
	65.622.489	51.786.417

Loans to third parties:

On 09 July 2020, the Company entered into a Facility Agreement with a third party, for the provision of a loan in two parts: Advance A: €4,463,520, which shall bear interest at 7% per annum and was fully granted.

Advance B: €7,300,000, which shall bear interest at 1,5% per annum. An amount of €7,125,000 was granted as Advance B.

During May 2021, an amendment agreement was concluded increasing the loan facility by introducing and granting a new advance of €1,105,000, bearing interest at the rate of 3,46% per annum.

During January 2022, an additional amendment agreement was concluded reducing the interest rate of Advance A to 1,5% per annum with retrospective effect as from the utilisation date. The loan is repayable within 36 months.

On 20 November 2020, the Company entered into a Convertible Loan Agreement with another third party for the provision of a convertible loan facility up to the amount of US\$1,750,000. The loan bears interest at 1,5% per annum and it is repayable once certain conditions and events are met. During 2021, an amendment agreement was concluded, increasing the loan amount by \$425,000 granted during the year.

On 12 April 2021, the Company entered into an additional Convertible Loan Agreement with the above mentioned third party for the provision of a loan up to the amount of US\$1,625,000. The loan bears interest at 1,5% per annum and it is repayable once certain conditions and events are met.

On 18 May 2021, the Company entered into a Convertible Facility Agreement with another third party for the provision of a loan to be provided in three instalments: Facility A: €15,000,000, Facility B: €3,215,672 and Facility C: €2,105,781. During September 2021, the Company concluded an amendment agreement amending the loan facility amounts to Facility A: €15,000,000, Facility B: €3,167,625 and Facility C: €2,111,750.

The loan bears interest at 15% per annum for the period of 12 months from the day of utilisation of Facility A and 10% per annum thereafter, except if the lender issues a conversion notice.

The repayment date was set until 30 November 2022 and until today only Facility A and B were granted to the Borrower.

On 23 July 2021, the Company entered into a Profit Participating Convertible Facility Agreement with another third party for the provision of a loan in three parts: Facility A: €2,261,592, Facility B: €4,258,875 and Facility C: €2,524,125. During November 2021, the Company concluded an amendment agreement amending the loan facility amounts to Facility A: €2,261,592, Facility B: €4,387,402 and Facility C: €2,524,125. The loan bears interest at 3% per annum, the repayment date was set until 29 June 2028 and until today only Facility A and B were granted to the Borrower.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2022

5. Loans receivable (continued)

On 20 September 2021, the Company entered into a Convertible Loan Agreement for the provision of a loan for the amount of €3.000.000 with another third party. The loan bears interest at 10% per annum and is repayable on 31 August 2026. In 2022 an amendment agreement was concluded, increasing the loan amount by €500.000 granted in 2022.

On 31 May 2022, the Company entered into a Loan Facility Agreement with a third party for the provision of a loan facility amounting to US\$300.000. The loan bears interest at 2% per annum and is repayable by 31 December 2028.

6. Cash and cash equivalents

	30/6/2022	31/12/2021
	€	€
Cash at bank	3.911.702	19.368.998
	<u>3.911.702</u>	<u>19.368.998</u>

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	30/6/2022	31/12/2021
	€	€
Cash at bank	3.911.702	19.368.998
Bank overdrafts	(9.585)	-
	<u>3.902.117</u>	<u>19.368.998</u>

7. Share capital

	30/6/2022	30/6/2022	31/12/2021	31/12/2021
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €0,50 / €1 each	<u>1.000.000.000</u>	<u>500.000.000</u>	100.000	100.000
Issued and fully paid				
<u>Ordinary shares</u>				
Balance at 1 January	11.021	11.021	11.021	11.021
Issue of ordinary shares	131.181.577	65.590.789	-	-
Increase from split of shares	13.222	-	-	-
Conversion of redeemable preference shares to ordinary shares	2.200	2.200	-	-
Balance at 30 June / 31 December	<u>131.208.020</u>	<u>65.604.010</u>	11.021	11.021
<u>Preference shares</u>				
Balance at 1 January	2.100	2.100	-	-
Issue of preference shares	100	100	2.100	2.100
Conversion of redeemable preference shares to ordinary shares	(2.200)	(2.200)	-	-
Balance at 30 June / 31 December	<u>-</u>	<u>-</u>	2.100	2.100
Total issued and fully paid capital at 30 June / 31 December	<u>131.208.020</u>	<u>65.604.010</u>	13.121	13.121

Authorised capital

On 8 April 2022, the authorised share capital of the Company was converted from €100.000 divided into 92.000 ordinary shares of nominal value €1 each and 8.000 redeemable preference shares of nominal value €1 each to €100.000 divided into 100.000 ordinary shares of nominal value €1 each. On the same date, the authorised share capital of the Company was further converted to €100.000 divided into 200.000 ordinary shares of nominal value €0,50 each and then increased to €500.000.000 divided into 1.000.000.000 ordinary shares of nominal value €0,50 each.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2022

7. Share capital (continued)

Issued capital

On 28 January 2022, the Company issued 100 redeemable preference shares of €1 each at a premium of €119.999 per share to its sole shareholder, Yoda Holdings Limited. The total share premium of €11.999.900 was credited to the share premium account.

On 7 April 2022, the Company issued 1 ordinary share of nominal value €1 each to Yoda Holdings Limited at a premium of €6.999.999 which was credited to the share premium account.

On 8 April 2022, all the 2.200 issued redeemable preference shares were converted into 2.200 ordinary shares. On the same date, the total 13.222 ordinary shares of €1 each were divided into 26.444 ordinary shares of €0,50 each. In addition the Company issued 131.181.576 ordinary shares of €0,50 each to Yoda Holdings Limited, as fully paid bonus shares and the share premium account of the Company of €65.590.788 was applied in paying the corresponding issuance of the shares.

On 5 July 2022, the Company issued 6.060.000 ordinary shares of nominal value of €0,50 each to its sole shareholder, Yoda Holdings Limited.

8. Related party transactions

The following transactions were carried out with related parties:

8.1 Receivables from related parties

<u>Name</u>	<u>30/6/2022</u> €	<u>31/12/2021</u> €
Striver Investments Limited	2.209.359	2.209.359
Other related party	-	76.000
	<u>2.209.359</u>	<u>2.285.359</u>

8.2 Loans to related parties (Note 5)

<u>Name</u>	<u>30/6/2022</u> €	<u>31/12/2021</u> €
Amkiri Ltd	1.891.495	1.697.951
Royal Shipping Holding S.A	-	2.687.106
Azesto Enterprises Limited	13.106.849	-
Capetan Ioannis Holdings S.A.	2.913.972	2.675.148
Other related party	<u>286.453</u>	-
	<u>18.198.769</u>	<u>7.060.205</u>

On 21 December 2021, the Company entered into a Convertible Loan Agreement with Azesto Enterprises Limited for the provision of a loan up to €13.000.000. The loan was granted during January 2022, it bears interest of 2% per annum and is repayable on 31 December 2023.

On 31 May 2022, the Company entered into a Loan Facility Agreement with a related party for the provision of a loan facility amounting to US\$300.000. The loan bears interest at 2% per annum and is repayable by 31 December 2028.

9. Events after the reporting period

Up to the date of signing of these interim condensed financial statements, the Company invested around €8.630.000 in new and existing investments in various types of shares in non-listed companies, partnerships and funds, and withdrew additional amount of €3.030.000 from the existing loan facility with the third party.

The recent events in Ukraine from February 24, 2022, may have consequences for the Cypriot Economy, which cannot yet be predicted, but the main concern at the moment is the uncertainty mainly for tourism and other sectors of the economy, rising prices for fuel and other raw materials and rising inflation, which may affect household incomes and business operating costs. The financial effect of the current crisis on the Cyprus and Global economy and overall business activities cannot be estimated with reasonable certainty at this stage. The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 30 June 2022.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

Period ended 30 June 2022

9. Events after the reporting period (continued)

Depending on the duration of the Covid 19 pandemic, and continued negative impact on economic activity, the Company might experience negative results, and liquidity restraints and might incur impairments on its assets in 2022. The exact impact on the Company's activities in 2022 and thereafter cannot be predicted.

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

PAPADUCK INVESTMENTS LIMITED

FINANCIAL STATEMENTS

31 December 2021

PAPADUCK INVESTMENTS LIMITED

FINANCIAL STATEMENTS Year ended 31 December 2021

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PAPADUCK INVESTMENTS LIMITED

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Marios Alexandrou (appointed on 5 June 2019) Vassilios Hadjivassiliou (appointed on 5 June 2019) Ioannis Papalekas (appointed on 21 January 2021) Alon Bar (appointed on 1 September 2021)
Company Secretary	Marios Alexandrou (appointed on 5 June 2019)
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors Jean Nouvel Tower 6 Stasinou Avenue PO Box 21656 1511 Nicosia, Cyprus
Registered office	48 Themistokli Dervi Athienitis Centennial Building Floor 7, Flat 703 1066, Nicosia Cyprus
Bankers:	Bank Julius Baer & Co. Ltd UBS Switzerland AG CBH Compagnie Bancaire Helvetique
Registration number	HE398572

Independent Auditor's Report

To the Members of Papaduck Investments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Papaduck Investments Limited (the "Company"), which are presented in pages 4 to 33 and comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of 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 financial statements give a true and fair view of the financial position of parent company Papaduck Investments Limited as at 31 December 2021, 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' International 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the additional information to the statement of comprehensive income in pages 34 to 37, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the 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.



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Responsibilities of the Board of Directors for the Financial Statements (continued)

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 Matters

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.

Nick Nicolaou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 9 May 2022

PAPADUCK INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2021

	Note	2021 €	2020 €
Revenue	9	1.995.931	6.936.994
Other operating income		1.787	355.000
Administration expenses		(2.091.332)	(494.790)
Other expenses	10	(448.354)	(2.138)
Operating (loss)/profit	11	(541.968)	6.795.066
Net finance cost	13	(150.416)	(292.338)
(Loss)/profit before tax		(692.384)	6.502.728
Tax	14	(164.881)	(24.794)
Net (loss)/profit for the year		(857.265)	6.477.934
Other comprehensive income		33.864.541	-
Total comprehensive income for the year		33.007.276	6.477.934

The notes on pages 9 to 33 form an integral part of these financial statements.

PAPADUCK INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2021

	Note	2021 €	2020 €
ASSETS			
Non-current assets			
Investments in subsidiaries	15	-	11.000
Investments in associates	16	44.488.139	42.471.499
Financial assets at fair value through other comprehensive income	17	58.520.839	2.987.829
Loans receivable	18	51.786.417	8.990.570
		<u>154.795.395</u>	<u>54.460.898</u>
Current assets			
Receivables	19	3.210.162	2.616.489
Financial assets at fair value through profit or loss	20	3.924.874	-
Cash and cash equivalents	21	19.368.998	5.217.782
		<u>26.504.034</u>	<u>7.834.271</u>
Total assets		<u>181.299.429</u>	<u>62.295.169</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	22	13.121	11.021
Share premium		46.590.889	11.092.989
Fair value reserve - Financial assets at fair value through other comprehensive income		33.864.541	-
Retained earnings		5.695.385	6.552.650
Total equity		<u>86.163.936</u>	<u>17.656.660</u>
Non-current liabilities			
Borrowings	23	92.006.089	-
		<u>92.006.089</u>	<u>-</u>
Current liabilities			
Trade and other payables	25	2.677.080	1.076.663
Borrowings	23	-	43.558.243
Contingent liabilities	24	380.000	-
Current tax liabilities	26	72.324	3.603
		<u>3.129.404</u>	<u>44.638.509</u>
Total liabilities		<u>95.135.493</u>	<u>44.638.509</u>
Total equity and liabilities		<u>181.299.429</u>	<u>62.295.169</u>

On 9 May 2022 the Board of Directors of Papaduck Investments Limited authorised these financial statements for issue.

.....
 Marios Alexandrou
 Director

.....
 Vassilios Hadjivassiliou
 Director

The notes on pages 9 to 33 form an integral part of these financial statements.

PAPADUCK INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

	Note	Share capital €	Redeemable shares €	Share premium €	Fair value reserve - Financial assets at fair value through other comprehensive income €	Retained earnings €	Total €
Balance at 1 January 2020		10.000	-	-	-	74.716	84.716
Comprehensive income		-	-	-	-	6.477.934	6.477.934
Transactions with owners							
Issue of share capital	22	1.021	-	11.092.989	-	-	11.094.010
Balance at 31 December 2020/ 1 January 2021		11.021	-	11.092.989	-	6.552.650	17.656.660
Comprehensive loss		-	-	-	-	(857.265)	(857.265)
Transactions with owners							
Issue of share capital	22	-	2.100	35.497.900	-	-	35.500.000
Other movements							
Change of fair value of financial assets at fair value through other comprehensive income	17	-	-	-	33.864.541	-	33.864.541
Balance at 31 December 2021		11.021	2.100	46.590.889	33.864.541	5.695.385	86.163.936

The notes on pages 9 to 33 form an integral part of these financial statements.

PAPADUCK INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2021

Share premium is not available for distribution.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (2020: 2,65%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 9 to 33 form an integral part of these financial statements.

PAPADUCK INVESTMENTS LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2021

	Note	2021 €	2020 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(692.384)	6.502.728
Adjustments for:			
Unrealised exchange (profit)/loss		(957.128)	148.335
Net loss from the sale of financial assets at fair value through profit or loss		30.136	-
Fair value losses on financial assets at fair value through profit or loss		418.218	-
Dividend income	9	(42.910)	(95.328)
Interest income		(1.953.021)	(50.118)
Interest expense	13	26.006	157.592
Loan receivable expense	13	1.000.000	-
		(2.171.083)	6.663.209
Changes in working capital:			
Increase in receivables		(593.673)	(2.616.489)
Increase in financial assets at fair value through profit or loss		(4.393.228)	-
Increase in other financial liabilities		380.000	-
Increase in trade and other payables		1.600.417	1.063.315
Cash (used in)/generated from operations		(5.177.567)	5.110.035
Dividends received		42.910	95.328
Tax paid		(96.160)	(21.191)
Net cash (used in)/generated from operating activities		(5.230.817)	5.184.172
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of financial assets at fair value through other comprehensive income	17	(22.699.900)	(2.987.829)
Payment for purchase of investments in subsidiaries	15	(65.000)	(11.000)
Payment for purchase of investments in associated undertakings	16	(2.016.640)	(19.664.309)
Loans granted	18	(44.165.966)	(10.663.696)
Loans repayments received	18	3.927.150	1.584.070
Proceeds from sale of financial assets at fair value through other comprehensive income		84.363	-
Net cash used in investing activities		(64.935.993)	(31.742.764)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	22	35.500.000	1.021
Repayments of borrowings	23	(43.558.243)	(11.781.068)
Proceeds from borrowings	23	92.000.000	43.564.819
Unrealised exchange profit/(loss)		396.186	(9.162)
Interest paid		(19.917)	(129)
Net cash generated from financing activities		84.318.026	31.775.481
Net increase in cash and cash equivalents		14.151.216	5.216.889
Cash and cash equivalents at beginning of the year		5.217.782	893
Cash and cash equivalents at end of the year	21	19.368.998	5.217.782

The notes on pages 9 to 33 form an integral part of these financial statements.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. Corporate information

Country of incorporation

Papaduck Investments Limited (the "Company") was incorporated in Cyprus on 5 June 2019 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office was at 20 Spyrou Kyprianou, Chapo Central, first floor 1066 Nicosia, Cyprus until 07 January 2021. As from 07 January 2021 onwards, its registered office is at 48 Themistokli Dervi, Athienitis Centennial Building, Floor 7, Flat 703, 1066, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of financing.

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 Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2021.

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.

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 2021. This adoption did not have a material effect on the accounting policies of the Company.

4. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

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.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Summary of significant accounting policies (continued)

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

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

Revenue

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as revenue in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

- **Investment income**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss. The difference between the fair value of investments at fair value through profit or loss as at 31 December 2021 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of financial assets at fair value through other comprehensive income are recognised in other comprehensive income and then included in the fair value reserve in equity. When financial assets at fair value through other comprehensive income are sold or impaired, the accumulated fair value adjustments are transferred to retained earnings.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are 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.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Summary of significant accounting policies (continued)

Foreign currency translation (continued)

(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. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Tax

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

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

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

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

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

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

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition

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

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement

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

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

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

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

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

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

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

Financial assets -Reclassification

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

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - write-off

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

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, 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.

Classification as financial assets at amortised cost

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

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade and other payables

Trade and other 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

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 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.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021.

4. Summary of significant accounting policies (continued)

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.

Convertible preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity on approval by the Company's shareholders. The difference between the fair value of the consideration received by the Company and the nominal value of the preference share capital being issued is taken to the share premium account.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

Provisions

Provisions are recognised 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 a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

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 objectives and policies

Financial risk factors

The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency risk, other market price 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 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and that such changes will affect the Company's income or the value of its holdings of financial instruments.

6.2 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 is exposed to interest rate risk in relation to its loans receivables and its borrowings. Loans receivable and borrowings issued at variable rates expose the Company to cash flow interest rate risk. Loans receivable and borrowings issued at fixed rate expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

6. Financial risk management objectives and policies (continued)

6.2 Interest rate risk (continued)

At the reporting date the interest rate profile of interest-bearing financial assets and liabilities was as follows:

	2021 €	2020 €
Fixed rate instruments		
Financial assets	49,812,830	8,940,902
Financial liabilities	92,000,000	-
	<u>141,812,830</u>	<u>8,940,902</u>

6.3 Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract. The Company is exposed to credit risk from its financing activities.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	2021 €	2020 €
Receivables	3,208,227	2,552,470
Loans receivable	51,786,417	8,990,570
Cash and cash equivalents	19,368,997	5,217,684
	<u>74,363,641</u>	<u>16,760,724</u>

6.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company has established procedures with the objective of minimizing such losses such as maintaining sufficient cash and other liquid current assets and by having available an adequate amount of committed credit facilities.

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

31 December 2021	Carrying	Contractual	3 months or			
	amounts	cash flows	less	3-12 months	1-2 years	2-5 years
	€	€	€	€	€	€
Other loans	92,006,089	92,006,089	-	-	92,006,089	-
Payables	2,044,264	2,044,264	-	2,044,264	-	-
Payables to related parties	212	212	-	212	-	-
	<u>94,050,565</u>	<u>94,050,565</u>	<u>-</u>	<u>2,044,476</u>	<u>92,006,089</u>	<u>-</u>

31 December 2020	Carrying	Contractual	3 months or			
	amounts	cash flows	less	3-12 months	1-2 years	2-5 years
	€	€	€	€	€	€
Payables	2,133	2,133	2,133	-	-	-
Payables to related parties	11,000	11,000	11,000	-	-	-
Loans from related parties	43,558,243	43,558,243	-	43,558,243	-	-
	<u>43,571,376</u>	<u>43,571,376</u>	<u>13,133</u>	<u>43,558,243</u>	<u>-</u>	<u>-</u>

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

6. Financial risk management objectives and policies (continued)

6.5 Foreign currency risk

Foreign currency risk is the risk that the fair value or cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency.

The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollars relating primarily to its operating activities and/or its loans receivable and foreign investments. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Company's exposure to foreign currency risk was as follows:

	Liabilities		Assets	
	2021	2020	2021	2020
	€	€	€	€
United States Dollars	<u>2.031.321</u>	(2.133)	<u>116.685.638</u>	<u>52.509.865</u>
	<u>2.031.321</u>	<u>(2.133)</u>	<u>116.685.638</u>	<u>52.509.865</u>

6.6 Price risk

The Company's listed and unlisted securities are susceptible to market price risk arising from uncertainties about future values of investment securities. The Company manages the price risk through diversification and placing limits on individual and total investments. Reports on the investment portfolio are submitted and reviewed by the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

6.7 Capital risk management

Capital includes equity shares, preference shares and share premium.

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 values

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

7. Critical accounting estimates, judgments and assumptions

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

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

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

Judgments

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

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The 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.

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Impairment of investments in subsidiaries/associates**

The Company periodically evaluates the recoverability of investments in subsidiaries/associates 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/associates may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of loans receivable**

The Company periodically evaluates the recoverability of loans receivable 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 in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans 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. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

8. Fair value measurement

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).

31 December 2021	Level 1 €	Level 2 €	Level 3 €	Total €
Assets measured at fair value				
Unquoted equity investments (Note 17)	-	10.114.705	48.406.134	58.520.839
Listed equity securities (Note 20)	3.924.874	-	-	3.924.874
Investment in associate (Note 16)	-	44.488.139	-	44.488.139
Total	3.924.874	54.602.844	48.406.134	106.933.852
31 December 2020	Level 1 €	Level 2 €	Level 3 €	Total €
Unquoted equity investments (Note 17)	-	647.861	2.339.968	2.987.829
Investment in associate (Note 16)	-	42.471.499	-	42.471.499
Investment in subsidiaries (Note 15)	-	11.000	-	11.000
Total	-	43.130.360	2.339.968	45.470.328

Transfers between levels

There have been no transfers between different levels during the year.

Valuation techniques

Listed investments

The fair values of investments traded on active liquid markets are determined with reference to quoted market prices. These investments are included within Level 1 of the hierarchy.

Non-listed investments

The fair values of the investments in partnerships are determined in accordance to the net asset value of the partnerships as at the year-end. These investments are included within Level 2 of the hierarchy.

The fair values of the investments in participating shares in funds and in investment in subsidiaries/associates, are valued using the net assets value of the funds and the subsidiaries/associates as at the year-end. These investments are included within Level 2 of the hierarchy.

The fair value of the investments in unquoted equity securities equals their carrying amount since their fair value cannot be measured reliably. These investments are included within Level 2 of the hierarchy.

The fair values of non-listed securities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. The Company classifies the fair value of these investments as Level 3.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

9. Revenue

Revenue is analysed as follows:

	2021	2020
	€	€
Dividend income	42.910	95.328
Loan interest income (Note 18)	1.953.021	50.118
Net gain on trading in financial instruments	-	6.791.548
	<u>1.995.931</u>	<u>6.936.994</u>

10. Other expenses

	2021	2020
	€	€
Broker fees	-	2.138
Loss from sales of financial assets at fair value through profit or loss	30.136	-
Fair value losses on financial assets at fair value through profit or loss	418.218	-
	<u>448.354</u>	<u>2.138</u>

11. Operating (loss)/profit

	2021	2020
	€	€
Operating (loss)/profit is stated after charging the following items:		
Staff costs (Note 12)	550.835	32.128
Auditor's remuneration	9.000	9.000
	<u>559.835</u>	<u>41.128</u>

12. Staff costs (Note 11)

	2021	2020
	€	€
Salaries	526.000	29.093
Social security costs and other contributions	24.835	3.035
	<u>550.835</u>	<u>32.128</u>

13. Finance income/(costs)

	2021	2020
	€	€
Exchange profit	957.128	40.673
Finance income	<u>957.128</u>	<u>40.673</u>
Net foreign exchange losses	(54.169)	(148.335)
Loan receivable expense (Note 18)	(1.000.000)	-
Interest expense	(26.006)	(157.592)
Sundry finance expenses	(27.369)	(27.084)
Finance costs	<u>(1.107.544)</u>	<u>(333.011)</u>
Net finance costs	<u>(150.416)</u>	<u>(292.338)</u>

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

14. Tax

	2021	2020
	€	€
Corporation tax	147.908	12.327
Overseas tax	16.973	12.467
Charge for the year	<u>164.881</u>	<u>24.794</u>

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

	2021	2020
	€	€
(Loss)/profit before tax	<u>(692.384)</u>	<u>6.502.728</u>
Tax calculated at the applicable tax rates	(86.548)	812.841
Tax effect of expenses not deductible for tax purposes	364.695	68.953
Tax effect of allowances and income not subject to tax	(136.902)	(866.910)
Tax effect of tax losses brought forward	-	(533)
10% additional charge	13.446	-
Overseas tax in excess of credit claim used during the year	10.190	10.443
Tax charge	<u>164.881</u>	<u>24.794</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%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

15. Investments in subsidiaries

	2021	2020
	€	€
Balance at 1 January	11.000	-
Additions	65.000	11.000
Disposals	<u>(76.000)</u>	-
Balance at 31 December	<u>-</u>	<u>11.000</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2021 Holding %	2020 Holding %	2021 €	2020 €
Papaseas Maritime Limited	Cyprus	Holding of investments	-	100	-	10.000
Papaitaly Holdings Limited	Cyprus	Holding of investments	-	100	<u>-</u>	<u>1.000</u>
					<u>-</u>	<u>11.000</u>

Papaseas Maritime Limited

On 04 November 2020, the Company established Papaseas Maritime Limited, a company registered in Cyprus by way of subscribing 100% of its share capital. The issued share capital of the subsidiary is 10.000 ordinary shares of €1 each.

On 29 December 2021, the Company disposed the 100% of the share capital of Papaseas Maritime Limited for the consideration of €10.000 which was repayable until 31 December 2022, and was fully settled in 2022 (Note 27.1).

Papaitaly Holdings Limited

On 06 November 2020, the Company acquired 100% of the share capital of Papaitaly Holdings Limited, a company registered in Cyprus, for the consideration of €1.000. The issued share capital of the subsidiary is 1.000 ordinary shares of €1 each.

On 20 July 2021, Papaitaly Holdings Limited issued to the Company 10 preference shares of nominal value €1 each, at a premium, for the total consideration of €65.000.

On 29 December 2021, the Company disposed the 100% of the share capital of Papaitaly Holdings Limited for the consideration of €66.000 which was repayable until 31 December 2022, and was fully settled in 2022 (Note 27.1).

16. Investments in associates

	2021	2020
	€	€
Balance at 1 January	42.471.499	11.714.200
Additions	<u>2.016.640</u>	30.757.299
Balance at 31 December	<u>44.488.139</u>	<u>42.471.499</u>

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

16. Investments in associates (continued)

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	2021 Holding %	2020 Holding %	2021 €	2020 €
Freeway Success S.A.	Panama	Holding of investments in shipping sector	49	49	14.430.700	14.430.700
Striver Investments Limited	British Virgin Islands	Holding of investments	40	40	518.790	518.790
Amkiri Ltd	Israel	Investing in technology sector	28,05	28,05	873.233	873.233
Sea Velvet Holding S.A.	Republic of Marsall Islands	Holding of investments in shipping sector	50	50	28.665.416	26.648.776
					44.488.139	42.471.499

Freeway Success S.A.

On 12 December 2019, the Company acquired 49 common registered shares of nominal value US\$100 each in Freeway Success S.A., representing 49% of the share capital. The consideration for the acquisition of the shares was set at US\$13.000.000 (equivalent to €11.714.200).

On 27 May 2020, the Company performed a capital contribution to Freeway Success S.A. for the amount of US\$3.087.000 (equivalent to €2.716.500).

Striver Investments Limited

Based on the Contribution Agreement dated 30 October 2020, the shareholder of the Company as of that date contributed to the Company 800 Class A shares in Striver Investments Limited representing the 40% of its issued share capital and transferred the receivable from Striver Investments Limited of US\$3.135.453 (Note 27.1) in exchange of the increase of the Company's share capital by 1.000 ordinary shares of nominal value of €1 each at a share premium of €3.169.000 (Note 22).

Striver Investments Limited is a company incorporated in British Virgin Islands that redomiciled in Cyprus as an overseas company in 2019.

Amkiri Ltd

On 22 October 2020, the Company, entered into a Share Purchase Agreement for the acquisition of 113.165 ordinary shares in Amkiri Ltd, for the total consideration of US\$300.000.

On 06 November 2020, the Company, entered into an additional Share Purchase Agreement for the acquisition of 180.000 ordinary shares in Amkiri Ltd, for the total consideration of US\$529.200.

On 16 November 2020, the Company, entered into an additional Share Purchase Agreement for the acquisition of 75.000 ordinary shares in Amkiri Ltd, for the total consideration of US\$198.850.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

16. Investments in associates (continued)

Sea Velvet Holding S.A.

On 19 March 2020, the Company entered into a Contribution Agreement with its shareholder as of that date, by which the shareholder contributed to the Company 250 common registered shares in Sea Velvet Holding S.A. (representing the 50% of its issued share capital) in exchange for the issue of 20 additional shares of the Company and on the same date the Company proceeded with the contribution of the amount of US\$12.648.690,50 to Sea Velvet Holding S.A.. According to a resolution executed on 30 November 2020, the Company issued to the Shareholder 1 ordinary share at a premium of US\$9.481.250 (Note 22), as additional consideration for the shares received on 19 March 2020.

According to the Capital Call signed on 27 May 2020, the Company performed an additional contribution to Sea Velvet Holding S.A. for the amount of US\$1.555.000.

On 08 December 2020, Sea Velvet Holding S.A. increased its share capital by US\$13.374.000. The new shares issued were allocated equally to its existing shareholders and the Company's contribution amounted to US\$6.687.000.

In March 2021, the Company performed an additional contribution to Sea Velvet Holdings S.A. for the amount of US\$2.375.000.

17. Financial assets at fair value through other comprehensive income

	2021	2020
	€	€
Balance at 1 January	2.987.829	-
Additions	22.699.900	2.987.829
Disposals	(1.031.431)	-
Revaluation difference transferred to equity	33.864.541	-
Balance at 31 December	58.520.839	2.987.829

The details of the investments are as follows:

	2021	2020
	€	€
Investments in unquoted equity securities	48.406.134	2.339.968
Investments in partnership	10.114.705	647.861
	58.520.839	2.987.829

These investments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management of the Company has elected to designate these investments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

(i) Disposal of financial assets

On disposal of these financial assets, any related balance within the FVOCI reserve is reclassified to retained earnings.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

18. Loans receivable

	2021	2020
	€	€
Balance at 1 January	8.990.570	-
New loans granted	45.165.966	10.663.696
Repayments	(3.927.150)	(1.584.070)
Interest charged (Note 9)	1.953.021	50.118
Loan receivable expense (Note 13)	(1.000.000)	-
Foreign exchange difference	604.010	(139.174)
Balance at 31 December	<u>51.786.417</u>	<u>8.990.570</u>

	2021	2020
	€	€
Loans to third parties	44.726.212	5.919.406
Loans to related parties (Note 27.2)	7.060.205	3.071.164
	<u>51.786.417</u>	<u>8.990.570</u>

Loans to third parties:

On 09 July 2020, the Company entered into a Facility Agreement with a third party, for the provision of a loan in two parts:

Advance A: €4.463.520, which shall bear interest at 7% per annum.

Advance B: €7.300.000, which shall bear interest at 1,5% per annum.

During May 2021, an amendment agreement was concluded increasing the loan facility to €12.693.520.

During January 2022 an additional amendment agreement was concluded reducing the interest rate of Advance A to 1,5% per annum with retrospective effect as from the utilisation date.

The loan is repayable within 36 months.

On 20 November 2020, the Company entered into a Convertible Loan Agreement with another third party for the provision of a convertible loan facility up to the amount of US\$1.750.000. The loan bears interest at 1,5% per annum and it is repayable once certain conditions and events are met. During 2021, an amendment agreement was concluded, increasing the loan amount by \$425.000 granted during the year.

On 12 April 2021, the Company entered into an additional Convertible Loan Agreement with the above mentioned third party for the provision of a loan up to the amount of US\$1.625.000. The loan bears interest at 1,5% per annum and it is repayable once certain conditions and events are met.

On 18 May 2021, the Company entered into a Convertible Facility Agreement with another third party for the provision of a loan to be provided in three instalments: Facility A: €15.000.000, Facility B: €3.215.672 and Facility C: €2.105.781. During September 2021, the Company concluded an amendment agreement amending the loan facility amounts to Facility A: €15.000.000, Facility B: €3.167.625 and Facility C: €2.111.750.

The loan bears interest at 15% per annum for the period of 12 months from the day of utilisation of Facility A and 10% per annum thereafter, except if the lender issues a conversion notice.

The repayment date was set until 30 November 2022 and until today only Facility A and B were granted to the Borrower.

On 23 July 2021, the Company entered into a Profit Participating Convertible Facility Agreement with another third party for the provision of a loan in three parts: Facility A: €2.261.592, Facility B: €4.258.875 and Facility C: €2.524.125. During November 2021, the Company concluded an amendment agreement amending the loan facility amounts to Facility A: €2.261.592, Facility B: €4.387.402 and Facility C: €2.524.125. The loan bears interest at 3% per annum and the repayment date was set until 29 June 2028.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

18. Loans receivable (continued)

On 20 September 2021, the Company entered into a Convertible Loan Agreement for the provision of a loan for the amount of €3.000.000 with another third party. The loan bears interest at 10% per annum and is repayable on 31 August 2026. In 2022 an amendment agreement was concluded, increasing the loan amount by €500.000 granted in 2022.

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

19. Receivables

	2021	2020
	€	€
Receivables from related parties (Note 27.1)	2.285.359	2.552.470
Deposits and prepayments	-	64.019
Receivables from third parties	922.868	-
Refundable VAT	1.935	-
	<u>3.210.162</u>	<u>2.616.489</u>

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

20. Financial assets at fair value through profit or loss

	2021	2020
	€	€
Investments in listed equities	<u>3.924.874</u>	-
	<u>3.924.874</u>	-

During the years 2020 and 2021, the Company entered into acquisition of publicly listed equity investments. As at 31 December 2021, the fair value of the financial instruments traded in active markets were valued on quoted market prices.

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

21. Cash and cash equivalents

Cash balances are analysed as follows:

	2021	2020
	€	€
Cash at bank	<u>19.368.998</u>	<u>5.217.782</u>
	<u>19.368.998</u>	<u>5.217.782</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.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

22. Share capital

	2021 Number of shares	2021 €	2020 Number of shares	2020 €
Authorised				
Ordinary shares of €1 each	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>	<u>100.000</u>
Issued and fully paid				
<u>Ordinary shares</u>				
Balance at 1 January	11.021	11.021	10.000	10.000
Issue of shares	-	-	1.021	1.021
Balance at 31 December	<u>11.021</u>	<u>11.021</u>	<u>11.021</u>	<u>11.021</u>
<u>Preference shares</u>				
Issue of shares	2.100	2.100	-	-
Balance at 31 December	<u>2.100</u>	<u>2.100</u>	<u>-</u>	<u>-</u>
Total at 31 December	<u>13.121</u>	<u>13.121</u>	<u>11.021</u>	<u>11.021</u>

Authorised capital

Under its Memorandum the Company fixed its share capital at 100.000 ordinary shares of nominal value of €1 each.

On 1 March 2021, the authorised share capital of the Company converted from €100.000 divided to 100.000 ordinary shares of nominal value €1 each to €100.000 divided into 92.000 ordinary shares of nominal value €1 each and 8.000 redeemable preference shares of nominal value €1 each.

On 8 April 2022, the authorised share capital of the Company was converted from €100.000 divided into 92.000 ordinary shares of nominal value €1 each and 8.000 redeemable preference shares of nominal value €1 each to €100.000 divided into 100.000 ordinary shares of nominal value €1 each. On the same date, the authorised share capital of the Company was further converted to €100.000 divided into 200.000 ordinary shares of nominal value €0,5 each and then increased to €500.000.000 divided into 1.000.000.000 ordinary shares of nominal value €0,5 each.

Issued capital

Upon incorporation, the Company issued to the subscribers of its Memorandum and Articles of Association, Yoda Investments Limited, a company incorporated in Cyprus, 10.000 ordinary shares of €1 each at par.

On 21 November 2019, Yoda Investments Limited, transferred its entire shareholding to a foreign individual.

On 19 March 2020, the Company issued 20 ordinary shares of €1 each to the foreign individual as part of the consideration of an investment transferred to the Company (Note 16).

On 30 October 2020, the Company issued 1.000 ordinary shares of €1 each at a premium of €3.169 per share to the foreign individual as a consideration for an investment and a receivable amount transferred to the Company (Note 16 and 27.1). The total share premium of €3.169.000 was credited to the share premium account.

On 30 November 2020, the Company issued 1 ordinary share of €1 each at a premium of €7.923.989 per share to the foreign individual as part of a consideration for an investment transferred to the Company (Note 16). The total share premium of €7.923.989 was credited to the share premium account.

On 09 December 2020, the foreign individual transferred its entire shareholding to The Yoda Trust, registered in Cyprus.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

22. Share capital (continued)

On 12 January 2021, the entire shareholding of the Company was transferred to Yoda Holdings Limited, a company incorporated in Cyprus.

On 01 March 2021, the Company issued 1.000 redeemable preference shares of €1 each at a premium of €17.999 per share to Yoda Holdings Limited. The total share premium of €17.999.000 was credited to the share premium account.

On 30 March 2021, the Company issued 1.000 redeemable preference shares of €1 each at a premium of €8.499 per share to Yoda Holdings Limited. The total share premium of €8.499.000 was credited to the share premium account.

On 9 November 2021, the Company issued 100 redeemable preference shares of €1 each at a premium of €89.999 per share to Yoda Holdings Limited. The total share premium of €8.999.900 was credited to the share premium account.

On 28 January 2022, the Company issued 100 redeemable preference shares of €1 each at a premium of €119.999 per share to Yoda Holdings Limited. The total share premium of €11.999.900 was credited to the share premium account.

On 7 April 2022, the Company issued 1 ordinary share of nominal value €1 each to Yoda Holdings Limited at a premium of €6.999.999 which was credited to the share premium account.

On 8 April 2022, all the 2,200 issued redeemable preference shares were converted into 2.200 ordinary shares. On the same date, the total 13.222 ordinary shares of €1 each were divided into 26.444 ordinary shares of €0,5 each. In addition the Company issued 131.181.576 ordinary shares of €0,5 each to Yoda Holdings Limited, as fully paid bonus shares and the share premium account of the Company of €65.590.788 was applied in paying the corresponding issuance of the shares.

23. Borrowings

	2021	2020
	€	€
Balance at 1 January	43.558.243	11.617.029
Additions	92.000.000	63.583.743
Repayments	(43.558.243)	(31.799.992)
Interest	6.089	157.463
Balance at 31 December	92.006.089	43.558.243
	2021	2020
	€	€
Current borrowings		
Loans from related parties (Note 27.4)	-	43.558.243
	-	43.558.243
Non-current borrowings		
Other loans	92.006.089	-
Total	92.006.089	43.558.243

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

23. Borrowings (continued)

On 13 January 2021, the Company entered into a Joint Venture Agreement with its shareholder as of that date and a third party acting as investor, according to which the parties wish to co-operate and invest in various sectors in order to promote the business of the Company. According to the agreement, the Investor wished to perform a contribution to the Company in the form of an uncommitted loan facility for the amount of €50.000.000. According to the Amended and Restatement Agreement concluded on 06 April 2021, the loan facility was increased to €100.000.000 and until today the Company has utilised an amount of €92.000.000 from this facility.

The loan bears interest at 0,01% per annum and its repayment shall be performed with the agreement of the parties.

24. Contingent liabilities

	2021	2020
	€	€
As at 31 December	<u>380.000</u>	-

On 19 February 2021, the Company, entered into a Profit Sharing Agreement with a related party, according to which the Company granted to the related party the benefit and right to share profits resulting from the income to be generated from the disposal of certain investments.

The total participation fee was set at €400.000 and the balance as at 31 December 2021 amounted to €380.000.

25. Trade and other payables

	2021	2020
	€	€
Shareholders' current accounts - credit balances (Note 27.5)	212	-
Accruals	20.664	36.590
Other creditors	2.044.264	2.133
Deferred income	611.940	1.026.940
Payables to own subsidiaries (Note 27.3)	-	11.000
	<u>2.677.080</u>	<u>1.076.663</u>

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

26. Current tax liabilities

	2021	2020
	€	€
Corporation tax	51.575	(173)
Overseas tax	20.749	3.776
	<u>72.324</u>	<u>3.603</u>

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

27. Related party transactions

Up to 21 November 2019, the 100% of the Company's shares was owned by Yoda Investments Limited, a company incorporated in Cyprus.

From 21 November 2019 until 9 December 2020, the 100% of the Company's shares was owned by a foreign individual.

From 9 December 2020 until 12 January 2021, the 100% of the Company's shares was owned by The Yoda Trust, registered in Cyprus.

From 12 January 2021 and onwards, the Company is owned by Yoda Holdings Limited, a company incorporated in Cyprus, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

27.1 Receivables from related parties (Note 19)

<u>Name</u>	2021 €	2020 €
Striver Investments Limited	2.209.359	2.552.470
Other related party	76.000	-
	<u>2.285.359</u>	<u>2.552.470</u>

Based on the Contribution Agreement dated 30 October 2020, the shareholder of the Company as of that date contributed to the Company 800 Class A shares in Striver Investments Limited representing the 40% of its issued share capital and transferred the receivable from Striver Investments Limited of US\$3.135.453 in exchange of the increase of the Company's share capital by 1.000 ordinary shares of nominal value of €1 each at a share premium of €3.169.000 (Notes 16 and 22).

Striver Investments Limited is a company incorporated in British Virgin Islands that redomiciled in Cyprus as an overseas company in 2019.

During December 2021, the Company disposed its subsidiary companies to a related party for the total consideration of €76.000, which was repayable by 31 December 2022, and it was fully settled in April 2022 (Note 15).

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

27. Related party transactions (continued)

27.2 Loans to related parties (Note 18)

	2021	2020
	€	€
Amkiri Ltd	1.697.951	626.746
Royal Shipping Holding S.A	2.687.106	2.444.418
Capetan Ioannis Holdings S.A.	2.675.148	-
	<u>7.060.205</u>	<u>3.071.164</u>

Amkiri Ltd

On 29 May 2020, the Company granted a loan of US\$500.000 to Amkiri Ltd against the issuance of a convertible promissory note. On 10 September 2020, the Company granted to Amkiri Ltd an additional amount of US\$250.000 against the issuance of a convertible promissory note.

On 29 July 2021, the Company granted to Amkiri Ltd an additional amount of US\$600.000 against the issuance of a convertible promissory note and on 13 December 2021 the Company granted to Amkiri Limited an additional loan of US\$495.400 against the issuance of a convertible promissory note.

The above loans bear interest of 6% per annum.

Royal Shipping Holding S.A.

On 20 November 2020, the Company entered into a Loan Facility Agreement with Royal Shipping Holding S.A., for the provision of a loan up to the amount of US\$3.000.000. The loan bears interest at 1,5% per annum and is repayable once certain conditions and events are met. The loan was fully settled in March 2022.

Capetan Ioannis Holdings S.A.

During March 2021, the Company entered into two Loan Facility Agreements with Capetan Ioannis Holdings S.A. for the provision of loan facilities amounting to US\$4.625.000 and US\$3.000.000. The loans bear interest at 1,5% per annum and are repayable once certain conditions and events are met. The loan of US\$4.625.000 was repaid in June 2021.

27.3 Payables to own subsidiaries (Note 25)

	2021	2020
Name	€	€
Papaitaly Holdings Limited	-	1.000
Papaseas Maritime Limited	-	10.000
	<u>-</u>	<u>11.000</u>

27.4 Loans from related parties (Note 23)

	2021	2020
	€	€
The Yoda Trust	-	43.558.243
	<u>-</u>	<u>43.558.243</u>

On 19 March 2020 the Company entered into a Loan Agreement with its shareholder as of that date, for the provision of a loan for the amount of €30.000.000. The loan was interest free and was repayable until 19 March 2022. On 03 September 2020, an amendment agreement was concluded and the loan facility was increased to €42.000.000. On 23 September 2020, an amendment agreement was concluded and the loan facility was increased to €60.000.000. On 09 December 2020, the loan was transferred to The Yoda Trust, being the new shareholder of the Company. The loan was fully repaid during 2021.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

27. Related party transactions (continued)

27.5 Shareholders' current accounts - credit balances (Note 25)

	2021	2020
	€	€
Shareholders' current accounts	<u>212</u>	-
	<u>212</u>	-

The shareholders' current accounts are interest free, and have no specified repayment date.

28. Contingent liabilities

The contingent liabilities the Company had as at 31 December 2021 are analysed in note 24.

29. Commitments

The Company had no capital or other commitments as at 31 December 2021.

30. Events after the reporting period

The recent events in Ukraine from February 24, 2022, may have consequences for the Cypriot Economy, which cannot yet be predicted, but the main concern at the moment is the uncertainty mainly for tourism and other sectors of the economy, rising prices for fuel and other raw materials and rising inflation, which may affect household incomes and business operating costs. The financial effect of the current crisis on the Cyprus and Global economy and overall business activities cannot be estimated with reasonable certainty at this stage. The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2021.

Depending on the duration of the Covid 19 pandemic, and continued negative impact on economic activity, the Company might experience negative results, and liquidity restraints and incur impairments on its assets in 2022. The exact impact on the Company's activities in 2022 and thereafter cannot be predicted.

During the year 2022, the Company invested around €18.700.000 in new and existing investments in various shares in non-listed companies and in funds and provided finance of €13.500.000 to related and third parties.

During the year 2022, the Company increased and amended its authorised and issued share capital as referred in Note 22.

There were no other 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 3

PAPADUCK INVESTMENTS LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2021

	Page	2021 €	2020 €
Revenue			
Dividend income		42.910	95.328
Loan interest income		1.953.021	50.118
Net gain on trading in financial instruments		-	6.791.548
Other operating income			
Sundry operating income		1.787	-
Other income		-	355.000
		<u>1.997.718</u>	<u>7.291.994</u>
Operating expenses			
Administration expenses	35	<u>(2.091.332)</u>	<u>(494.790)</u>
		<u>(93.614)</u>	<u>6.797.204</u>
Other operating expenses			
Broker fees		-	(2.138)
Loss from sales of financial assets at fair value through profit or loss		(30.136)	-
Fair value losses on financial assets at fair value through profit or loss		<u>(418.218)</u>	<u>-</u>
Operating (loss)/profit		<u>(541.968)</u>	<u>6.795.066</u>
Finance income	36	957.128	40.673
Finance costs	36	<u>(1.107.544)</u>	<u>(333.011)</u>
Net (loss)/profit for the year before tax		<u><u>(692.384)</u></u>	<u><u>6.502.728</u></u>

PAPADUCK INVESTMENTS LIMITED

ADMINISTRATION EXPENSES

Year ended 31 December 2021

	2021	2020
	€	€
Administration expenses		
Staff salaries	526.000	29.093
Social insurance	18.861	2.246
GHS contribution	5.974	789
Rent	-	2.200
Annual levy	350	350
Insurance	212	-
Subscriptions and contributions	41	42
Auditor's remuneration	9.000	9.000
Accounting fees	8.216	7.535
Legal fees	131.462	5.009
Other professional fees	493.199	28.916
Travelling	779.412	400.082
Irrecoverable VAT	118.183	7.810
Disbursements	422	1.718
	<u>2.091.332</u>	<u>494.790</u>

PAPADUCK INVESTMENTS LIMITED

FINANCE INCOME/COSTS

Year ended 31 December 2021

	2021	2020
	€	€
Finance income		
Realised foreign exchange profit	-	40.673
Unrealised foreign exchange profit	<u>957.128</u>	<u>-</u>
	<u>957.128</u>	<u>40.673</u>
Finance costs		
Interest expense		
Loan interest	6.089	157.463
Loan receivable expense	1.000.000	-
Bank overdraft interest	19.835	93
Interest on taxes	82	36
Sundry finance expenses		
Bank charges	27.369	27.084
Net foreign exchange losses		
Realised foreign exchange loss	54.169	-
Unrealised foreign exchange loss	<u>-</u>	<u>148.335</u>
	<u>1.107.544</u>	<u>333.011</u>

PAPADUCK INVESTMENTS LIMITED

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2021

	Page	€	€
Net loss per income statement	34		(692.384)
<u>Add:</u>			
Loss from sales of financial assets at fair value through profit or loss		30.136	
Fair value losses on financial assets at fair value through profit or loss		418.218	
Realised foreign exchange loss		54.169	
Annual levy		350	
Interest on taxes		82	
Loan Receivable set off		1.000.000	
Other administration expenses (apportioned based on the asset approach - Circular 2008/14)		1.326.978	
Notional interest income		<u>87.626</u>	
			<u>2.917.559</u>
			2.225.175
<u>Less:</u>			
Dividends received		42.910	
Unrealised foreign exchange profit		957.128	
Sundry operating income		1.787	
Notional interest deduction		<u>93.399</u>	
			<u>(1.095.224)</u>
Chargeable income for the year			<u><u>1.129.951</u></u>

Calculation of corporation tax

	Income €	Rate %	Total € c
Tax at normal rates:			
Chargeable income as above	<u>1.129.951</u>	12,50	141.243,88
Tax paid provisionally	<u>769.280</u>		(96.160,00)
Credit claimed in respect of foreign tax on interest received			<u>(6.782,50)</u>
			38.301,38
10% additional charge			<u>13.446,14</u>
TAX PAYABLE			<u><u>51.747,52</u></u>

PAPADUCK INVESTMENTS LIMITED

FINANCIAL STATEMENTS

31 December 2020

PAPADUCK INVESTMENTS LIMITED

FINANCIAL STATEMENTS Year ended 31 December 2020

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PAPADUCK INVESTMENTS LIMITED

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Marios Alexandrou (appointed on 5 June 2019) Vassilios Hadjivassiliou (appointed on 5 June 2019) Ioannis Papalekas (appointed on 21 January 2021) Alon Bar (appointed on 01 September 2021)
Company Secretary	Marios Alexandrou (appointed on 5 June 2019)
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors Jean Nouvel Tower 6 Stasinou Avenue PO Box 21656 1511 Nicosia, Cyprus
Registered office	48 Themistokli Dervi Athienitis Centennial Building Floor 7, Flat 703 1066, Nicosia Cyprus
Bankers:	Bank Julius Baer & Co. Ltd UBS Switzerland AG
Registration number	HE398572

Independent Auditor's Report

To the Members of Papaduck Investments Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Papaduck Investments Limited (the "Company"), which are presented in pages 5 to 30 and comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in equity and statement of 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 financial statements give a true and fair view of the financial position of parent company Papaduck Investments 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' International 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the additional information to the statement of comprehensive income in pages 31 to 34, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the 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.

Responsibilities of the Board of Directors for the Financial Statements (continued)

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.



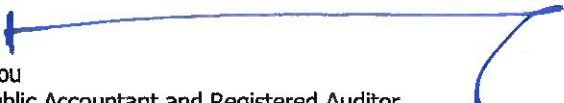
Building a better
working world

Other Matters

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.

Comparative figures

The financial statements of the Company for the period ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 27 January 2022.



Nick Nicolaou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 9 May 2022

PAPADUCK INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2020

	Note	2020 €	05/06/2019- 31/12/2019 €
Revenue		6.936.994	-
Other operating income		355.000	-
Administration expenses		(494.790)	(23.350)
Other expenses	10	(2.138)	-
Operating profit/(loss)	11	6.795.066	(23.350)
Net finance (costs)/income	13	(292.338)	98.066
Profit before tax		6.502.728	74.716
Tax	14	(24.794)	-
Net profit for the year/period		6.477.934	74.716
Other comprehensive income		-	-
Total comprehensive income for the year/period		6.477.934	74.716

The notes on pages 9 to 30 form an integral part of these financial statements.

PAPADUCK INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2020

	Note	2020 €	2019 €
ASSETS			
Non-current assets			
Investments in subsidiaries	15	11.000	-
Investments in associates	16	42.471.499	11.714.200
Financial assets at fair value through other comprehensive income	17	2.987.829	-
Loans receivable	18	8.990.570	-
		<u>54.460.898</u>	<u>11.714.200</u>
Current assets			
Receivables	19	2.616.489	-
Cash and cash equivalents	20	5.217.782	893
		<u>7.834.271</u>	<u>893</u>
Total assets		<u>62.295.169</u>	<u>11.715.093</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	21	11.021	10.000
Share premium		11.092.989	-
Retained earnings		6.552.650	74.716
Total equity		<u>17.656.660</u>	<u>84.716</u>
Current liabilities			
Trade and other payables	23	1.076.663	13.348
Borrowings	22	43.558.243	11.617.029
Current tax liabilities	24	3.603	-
		<u>44.638.509</u>	<u>11.630.377</u>
Total liabilities		<u>44.638.509</u>	<u>11.630.377</u>
Total equity and liabilities		<u>62.295.169</u>	<u>11.715.093</u>

On 9 May 2022 the Board of Directors of Papaduck Investments Limited authorised these financial statements for issue.

.....
Marios Alexandrou
Director

.....
Vassilios Hadjivassiliou
Director

The notes on pages 9 to 30 form an integral part of these financial statements.

PAPADUCK INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2020

	Note	Share capital €	Share premium €	Retained earnings €	Total €
Balance at 5 June 2019		-	-	-	-
Comprehensive income					
Net profit for the period		-	-	74.716	74.716
Transactions with owners					
Issue of share capital	21	10.000	-	-	10.000
Balance at 31 December 2019/ 1 January 2020		10.000	-	74.716	84.716
Comprehensive income					
Net profit for the year		-	-	6.477.934	6.477.934
Transactions with owners					
Issue of share capital	21	1.021	11.092.989	-	11.094.010
Balance at 31 December 2020		11.021	11.092.989	6.552.650	17.656.660

Share premium is not available for distribution.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (2019: 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 9 to 30 form an integral part of these financial statements.

PAPADUCK INVESTMENTS LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Note	2020 €	05/06/2019- 31/12/2019 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		6.502.728	74.716
Adjustments for:			
Unrealised exchange loss/(profit)		148.335	(52.400)
Dividend income	9	(95.328)	-
Interest income		(50.118)	-
Interest expense	13	157.592	9.029
		6.663.209	31.345
Changes in working capital:			
Increase in receivables		(2.616.489)	-
Increase in trade and other payables		1.063.315	13.348
Cash generated from operations		5.110.035	44.693
Dividends received		95.328	-
Tax paid		(21.191)	-
Net cash generated from operating activities		5.184.172	44.693
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of financial assets at fair value through other comprehensive income	17	(2.987.829)	-
Payment for purchase of investments in subsidiaries	15	(11.000)	-
Payment for purchase of investments in associated undertakings	16	(19.664.309)	(11.714.200)
Loans granted	18	(10.663.696)	-
Loans repayments received	18	1.584.070	-
Net cash used in investing activities		(31.742.764)	(11.714.200)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	21	1.021	10.000
Repayments of borrowings	22	(11.781.068)	-
Proceeds from borrowings	22	43.564.819	11.660.400
Unrealised exchange loss		(9.162)	-
Interest paid		(129)	-
Net cash generated from financing activities		31.775.481	11.670.400
Net increase in cash and cash equivalents		5.216.889	893
Cash and cash equivalents at beginning of the year/period		893	-
Cash and cash equivalents at end of the year/period	20	5.217.782	893

The notes on pages 9 to 30 form an integral part of these financial statements.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. Corporate information

Country of incorporation

Papaduck Investments Limited (the "Company") was incorporated in Cyprus on 5 June 2019 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office was at 20 Spyrou Kyprianou, Chapo Central, first floor 1066 Nicosia, Cyprus, until 07 January 2021. As from 07 January 2021 onwards, its registered office is at 48 Themistokli Dervi, Athienitis Centennial Building, Floor 7, Flat 703, 1066, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and the provision of financing.

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 Company and its subsidiaries constitute a small sized group as defined by the Law 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.

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. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

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.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Summary of significant accounting policies (continued)

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

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

Revenue

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

Dividends are received from financial assets measured at fair value through profit or loss (FVTPL) and at fair value through other comprehensive income (FVOCI). Dividends are recognised as revenue in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI.

- **Investment income**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss. The difference between the fair value of investments at fair value through profit or loss as at 31 December 2020 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of financial assets at fair value through other comprehensive income are recognised in other comprehensive income and then included in the fair value reserve in equity. When financial assets at fair value through other comprehensive income are sold or impaired, the accumulated fair value adjustments are transferred to retained earnings.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are 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.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Summary of significant accounting policies (continued)

Tax

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

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

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

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

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

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

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition

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

Financial assets - Measurement

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

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

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

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

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Equity instruments

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

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

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

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

Financial assets -Reclassification

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

Financial assets - write-off

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

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, 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.

Classification as financial assets at amortised cost

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

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Trade and other payables

Trade and other 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

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 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.

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 recognised 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 a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

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 objectives and policies

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency 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 is exposed to interest rate risk in relation to its loans receivable and its borrowings. Loans receivable and borrowings issued at variable rates expose the Company to cash flow interest rate risk. Loans receivable and borrowings issued at fixed rate expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial assets and liabilities was as follows:

	2020	2019
	€	€
Fixed rate instruments		
Financial assets	8.940.902	-
Financial liabilities	-	11.608.000
	<u>8.940.902</u>	<u>11.608.000</u>

6.2 Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract. The Company is exposed to credit risk from its financing activities.

The carrying amount of financial assets represents the maximum credit exposure. The maximum credit exposure to credit risk at the reporting date was:

	2020	2019
	€	€
Receivables	2.552.470	-
Loans receivable	8.990.570	-
Cash and cash equivalents	5.217.684	893
	<u>16.760.724</u>	<u>893</u>

6.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company has established procedures with the objective of minimizing such losses such as maintaining sufficient cash and other liquid current assets and by having available an adequate amount of committed credit facilities.

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

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

6. Financial risk management objectives and policies (continued)

6.3 Liquidity risk (continued)

31 December 2020	Carrying	Contractual	3 months or		1-2 years	2-5 years
	amounts	cash flows	less	3-12 months		
	€	€	€	€	€	€
Payables	2.133	2.133	2.133	-	-	-
Payables to related parties	11.000	11.000	11.000	-	-	-
Loans from related parties	43.558.243	43.558.243	-	43.558.243	-	-
	43.571.376	43.571.376	13.133	43.558.243	-	-

31 December 2019	Carrying	Contractual	3 months or		1-2 years	2-5 years
	amounts	cash flows	less	3-12 months		
	€	€	€	€	€	€
Payables	518	518	518	-	-	-
Payables to related parties	1.578	1.578	1.578	-	-	-
Loans from related parties	11.617.029	11.831.116	-	11.831.116	-	-
	11.619.125	11.833.212	2.096	11.831.116	-	-

6.4 Foreign currency risk

Foreign currency risk is the risk that the fair value or cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's functional currency.

The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the United States Dollars. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The Company's exposure to foreign currency risk was as follows:

	Liabilities		Assets	
	2020	2019	2020	2019
	€	€	€	€
United States Dollars	(2.133)	(11.617.029)	52.509.865	893
	(2.133)	(11.617.029)	52.509.865	893

6.5 Capital risk management

Capital includes equity shares and share premium.

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

Fair values

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

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

7. Critical accounting estimates, judgments and assumptions

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

Judgments

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

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The 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.

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Impairment of investments in subsidiaries/associates**

The Company periodically evaluates the recoverability of investments in subsidiaries/associates 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/associates may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of loans receivable**

The Company periodically evaluates the recoverability of loans receivable 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 in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans 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. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

8. Fair value measurement

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).

31 December 2020	Level 1	Level 2	Level 3	Total
	€	€	€	€
Assets measured at fair value				
Unquoted investments (Note 17)	-	647.861	2.339.968	2.987.829
Investment in associate	-	42.471.499	-	42.471.499
Investment in subsidiaries	-	11.000	-	11.000
Total	-	43.130.360	2.339.968	45.470.328
31 December 2019	Level 1	Level 2	Level 3	Total
	€	€	€	€
Investment in associate	-	11.714.200	-	11.714.200
Total	-	11.714.200	-	11.714.200

Transfers between levels

There have been no transfers between different levels during the year.

Valuation techniques

Listed investments

The fair values of investments traded on active liquid markets are determined with reference to quoted market prices. These investments are included within Level 1 of the hierarchy.

Non-listed investments

The fair values of the investments in partnerships are determined in accordance to the net asset value of the partnerships as at the year-end. These investments are included within Level 2 of the hierarchy.

The fair values of the investments in participating shares in funds and in investment in subsidiaries/associates, are valued using the net assets value of the funds and the subsidiaries/associates as at the year-end. These investments are included within Level 2 of the hierarchy.

The fair value of the investments in unquoted equity securities equals their carrying amount since their fair value cannot be measured reliably. These investments are included within Level 2 of the hierarchy.

The fair values of non-listed securities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. The Company classifies the fair value of these investments as Level 3.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

9. Revenue

Revenue is analysed as follows:

	2020	05/06/2019- 31/12/2019
	€	€
Dividend income	95.328	-
Loan interest income (Note 18)	50.118	-
Net gain on trading in financial instruments	6.791.548	-
	<u>6.936.994</u>	<u>-</u>

10. Other expenses

	2020	05/06/2019- 31/12/2019
	€	€
Broker fees	2.138	-
	<u>2.138</u>	<u>-</u>

11. Operating profit/(loss)

	2020	05/06/2019- 31/12/2019
	€	€
Operating profit/(loss) is stated after charging the following items:		
Staff costs (Note 12)	32.128	-
Auditor's remuneration	9.000	4.522
Incorporation expenses	-	805
	<u>-</u>	<u>805</u>

12. Staff costs (Note 11)

	2020	05/06/2019- 31/12/2019
	€	€
Salaries	29.093	-
Social security costs and other contributions	3.035	-
	<u>32.128</u>	<u>-</u>

13. Finance income/(costs)

	2020	05/06/2019- 31/12/2019
	€	€
Exchange profit	40.673	107.095
Finance income	<u>40.673</u>	<u>107.095</u>
Net exchange losses	(148.335)	-
Interest expense	(157.592)	(9.029)
Sundry finance expenses	(27.084)	-
Finance costs	<u>(333.011)</u>	<u>(9.029)</u>
Net finance (costs)/income	<u>(292.338)</u>	<u>98.066</u>

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

14. Tax

	2020	05/06/2019- 31/12/2019
	€	€
Corporation tax	12.327	-
Overseas tax	12.467	-
Charge for the year/period	24.794	-

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

	2020	05/06/2019- 31/12/2019
	€	€
Profit before tax	6.502.728	74.716
Tax calculated at the applicable tax rates	812.841	9.340
Tax effect of expenses not deductible for tax purposes	68.953	-
Tax effect of allowances and income not subject to tax	(866.910)	(13.387)
Tax effect of tax losses brought forward	(533)	-
Tax effect of tax loss for the year/period	-	4.047
Overseas tax in excess of credit claim used during the year	10.443	-
Tax charge	24.794	-

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%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

15. Investments in subsidiaries

	2020	2019
	€	€
Balance at 1 January/5 June	-	-
Additions	<u>11.000</u>	-
Balance at 31 December	<u>11.000</u>	-

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>	2020 €
Papaseas Maritime Limited	Cyprus	Holding of investments	100	10.000
Papaitaly Holdings Limited	Cyprus	Holding of investments	100	<u>1.000</u>
				<u>11.000</u>

Papaseas Maritime Limited

On 04 November 2020, the Company established Papaseas Maritime Limited, a company registered in Cyprus, by way of subscribing 100% of its share capital. The issued share capital of the subsidiary is 10.000 ordinary shares of €1 each.

Papaitaly Holdings Limited

On 06 November 2020, the Company acquired 100% of the share capital of Papaitaly Holdings Limited, a company registered in Cyprus, for the consideration of €1.000. The issued share capital of the subsidiary is 1.000 ordinary shares of €1 each.

On 29 December 2021 the Company disposed the 100% of the above investments.

16. Investments in associates

	2020	2019
	€	€
Balance at 1 January/5 June	11.714.200	-
Additions	<u>30.757.299</u>	11.714.200
Balance at 31 December	<u>42.471.499</u>	<u>11.714.200</u>

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

16. Investments in associates (continued)

The details of the investments are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2020 Holding %	2019 Holding %	2020 €	2019 €
Freeway Success S.A.	Panama	Holding of investments in shipping sector	49	49	14.430.700	11.714.200
Striver Investments Limited	British Virgin Islands	Holding of investments	40	-	518.790	-
Amkiri Ltd	Israel	Investing in technology sector	28,05	-	873.233	-
Sea Velvet Holding S.A.	Republic of Marsall Islands	Holding of investments in shipping sector	50	-	26.648.776	-
					<u>42.471.499</u>	<u>11.714.200</u>

Freeway Success S.A.

On 12 December 2019, the Company acquired 49 common registered shares of nominal value US\$100 each in Freeway Success S.A., representing 49% of the share capital. The consideration for the acquisition of the shares was set at US\$13.000.000 (equivalent to €11.714.200).

On 27 May 2020, the Company performed a capital contribution to Freeway Success S.A. for the amount of US\$3.087.000 (equivalent to €2.716.500).

Striver Investments Limited

Based on the Contribution Agreement dated 30 October 2020, the shareholder of the Company as of that date contributed to the Company 800 Class A shares in Striver Investments Limited representing the 40% of its issued share capital and transferred the receivable from Striver Investments Limited of US\$3.135.453 (Note 25.1) in exchange of the increase of the Company's share capital by 1.000 ordinary shares of nominal value of €1 each at a share premium of €3.169.000 (Note 21).

Striver Investments Limited is a company incorporated in British Virgin Islands that redomiciled in Cyprus as an overseas company in 2019.

Amkiri Ltd

On 22 October 2020, the Company entered into a Share Purchase Agreement for the acquisition of 113.165 ordinary shares in Amkiri Ltd, for the total consideration of US\$300.000.

On 06 November 2020, the Company entered into an additional Share Purchase Agreement for the acquisition of 180.000 ordinary shares in Amkiri Ltd, for the total consideration of US\$529.200.

On 16 November 2020, the Company entered into an additional Share Purchase Agreement for the acquisition of 75.000 ordinary shares in Amkiri Ltd, for the total consideration of US\$198.850.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

16. Investments in associates (continued)

Sea Velvet Holding S.A.

On 19 March 2020, the Company entered into a Contribution Agreement with its shareholder as of that date, by which the shareholder contributed to the Company 250 common registered shares in Sea Velvet Holding S.A. (representing the 50% of its issued share capital) in exchange for the issue of 20 additional shares of the Company (Note 21) and on the same date the Company proceeded with the contribution of the amount of US\$12.648.690,50 to Sea Velvet Holding S.A. According to a resolution executed on 30 November 2020, the Company issued to the Shareholder 1 ordinary share at a premium of US\$9.481.250, as additional consideration for the shares received on 19 March 2020.

According to the Capital Call signed on 27 May 2020, the Company performed an additional contribution to Sea Velvet Holding S.A. for the amount of US\$1.555.000.

On 08 December 2020, Sea Velvet Holding S.A. increased its share capital by US\$13.374.000. The new shares issued were allocated equally to its existing shareholders and Company's contribution amounted to US\$6.687.000.

17. Financial assets at fair value through other comprehensive income

	2020	2019
	€	€
Balance at 1 January/5 June	-	-
Additions	<u>2.987.829</u>	-
Balance at 31 December	<u>2.987.829</u>	-

The financial assets at fair value through other comprehensive income are analysed as follows:

	2020	2019
	€	€
Investments in unquoted equity securities	<u>2.339.968</u>	-
Investments in partnership	<u>647.861</u>	-
	<u>2.987.829</u>	-

These investments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management of the Company has elected to designate these investments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

(i) Disposal of financial assets

On disposal of these financial assets, any related balance within the FVOCI reserve is reclassified to retained earnings.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

18. Loans receivable

	2020	2019
	€	€
Balance at 1 January/5 June	-	-
New loans granted	10.663.696	-
Repayments	(1.584.070)	-
Interest charged (Note 9)	50.118	-
Foreign exchange difference	(139.174)	-
Balance at 31 December	8.990.570	-

	2020	2019
	€	€
Loans to third parties	5.919.406	-
Loans to related parties (Note 25.2)	3.071.164	-
	8.990.570	-

Loans to third parties:

On 09 July 2020, the Company entered into a Facility Agreement with a third party, for the provision of a loan in two parts:

Advance A: €4.463.520, which shall bear interest at 7% per annum.

Advance B: €7.300.000, which shall bear interest at 1,5% per annum.

During May 2021, an amendment agreement was concluded, increasing the loan facility to €12.693.520.

During January 2022 an amendment agreement was concluded reducing the interest rate of Advance A to 1,5% per annum with retrospective effect as from the utilisation date.

The loan is repayable within 36 months and during the year 2020 only Advance A part was provided to the Borrower.

On 20 November 2020, the Company entered into a Convertible Loan Agreement with another third party for the provision of a convertible loan facility up to the amount of US\$1.750.000. The loan bears interest at 1,50% per annum and it is repayable once certain conditions and events are met.

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

19. Receivables

	2020	2019
	€	€
Receivables from related parties (Note 25.1)	2.552.470	-
Deposits and prepayments	64.019	-
	2.616.489	-

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

20. Cash and cash equivalents

Cash balances are analysed as follows:

	2020	2019
	€	€
Cash at bank	5.217.782	893
	5.217.782	893

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

20. Cash and cash equivalents (continued)

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.

21. Share capital

	2020 Number of shares	2020 €	2019 Number of shares	2019 €
Authorised				
Ordinary shares of €1 each	<u>100.000</u>	<u>100.000</u>	100.000	100.000
Issued and fully paid				
Balance at 1 January/5 June	10.000	10.000	-	-
Issue of shares	<u>1.021</u>	<u>1.021</u>	10.000	10.000
Balance at 31 December	<u>11.021</u>	<u>11.021</u>	10.000	10.000

Authorised capital

Under its Memorandum the Company fixed its share capital at 100.000 ordinary shares of nominal value of €1 each.

On 1 March 2021, the authorised share capital of the Company converted from €100.000 divided to 100.000 ordinary shares of nominal value €1 each to €100.000 divided into 92.000 ordinary shares of nominal value €1 each and 8.000 redeemable preference shares of nominal value €1 each.

On 8 April 2022, the authorised share capital of the Company was converted from €100.000 divided into 92.000 ordinary shares of nominal value €1 each and 8.000 redeemable preference shares of nominal value €1 each to €100.000 divided into 100.000 ordinary shares of nominal value €1 each. On the same date, the authorised share capital of the Company was further converted to €100.000 divided into 200.000 ordinary shares of nominal value €0,5 each and then increased to €500.000.000 divided into 1.000.000.000 ordinary shares of nominal value €0,5 each.

Issued capital

Upon incorporation, the Company issued to the subscribers of its Memorandum and Articles of Association, Yoda Investments Limited, a company incorporated in Cyprus, 10.000 ordinary shares of €1 each at par.

On 21 November 2019, Yoda Investments Limited, transferred its entire shareholding to a foreign individual.

On 19 March 2020, the Company issued 20 ordinary shares of €1 each to the foreign individual as part of the consideration of an investment transferred to the Company (Note 16).

On 30 October 2020, the Company issued 1.000 ordinary shares of €1 each at a premium of €3.169 per share to the foreign individual as a consideration for an investment and a receivable amount transferred to the Company (Note 16). The total share premium of €3.169.000 was credited to the share premium account.

On 30 November 2020, the Company issued 1 ordinary share of €1 each at a premium of €7.923.989 per share to the foreign individual as part of a consideration for an investment transferred to the Company (Note 16). The total share premium of €7.923.989 was credited to the share premium account.

On 09 December 2020 the foreign individual, transferred its entire shareholding to The Yoda Trust, registered in Cyprus.

On 12 January 2021, the entire shareholding of the Company was transferred to Yoda Holdings Limited, a company incorporated in Cyprus.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

21. Share capital (continued)

On 01 March 2021, the Company issued 1.000 redeemable preference shares of €1 each at a premium of €17.999 per share to Yoda Holdings Limited. The total share premium of €17.999.000 was credited to the share premium account.

On 30 March 2021, the Company issued 1.000 redeemable preference shares of €1 each at a premium of €8.499 per share to Yoda Holdings Limited. The total share premium of €8.499.000 was credited to the share premium account.

On 9 November 2021, the Company issued 100 redeemable preference shares of €1 each at a premium of €89.999 per share to Yoda Holdings Limited. The total share premium of €8.999.900 was credited to the share premium account.

On 28 January 2022, the Company issued 100 redeemable preference shares of €1 each at a premium of €119.999 per share to Yoda Holdings Limited. The total share premium of €11.999.900 was credited to the share premium account.

On 7 April 2022, the Company issued 1 ordinary share of nominal value €1 each to Yoda Holdings Limited at a premium of €6,999,999 which was credited to the share premium account.

On 8 April 2022, all the 2,200 issued redeemable preference shares were converted into 2.200 ordinary shares. On the same date, the total 13.222 ordinary shares of €1 each were divided into 26.444 ordinary shares of €0,5 each. In addition the Company issued 131.181.576 ordinary shares of €0,5 each to Yoda Holdings Limited, as fully paid bonus shares and the share premium account of the Company of €65.590.788 was applied in paying the corresponding issuance of the shares.

22. Borrowings

	2020	2019
	€	€
Balance at 1 January/5 June	11.617.029	-
Additions	63.583.743	11.660.400
Repayments	(31.799.992)	-
Interest	157.463	9.029
Foreign exchange difference	-	(52.400)
Balance at 31 December	43.558.243	11.617.029

	2020	2019
	€	€
Current borrowings		
Loans from related parties (Note 25.4)	43.558.243	11.617.029
	43.558.243	11.617.029

23. Trade and other payables

	2020	2019
	€	€
Accruals	36.590	11.252
Other creditors	2.133	518
Deferred income	1.026.940	-
Payables to own subsidiaries (Note 25.3)	11.000	-
Payables to related parties (Note 25.3)	-	1.578
	1.076.663	13.348

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

24. Current tax liabilities

	2020	2019
	€	€
Corporation tax	(173)	-
Overseas tax	3.776	-
	<u>3.603</u>	<u>-</u>

25. Related party transactions

Up to 21 November 2019, the 100% of the Company's shares was owned by Yoda Investments Limited, a company incorporated in Cyprus.

From 21 November 2019 until 9 December 2020, the 100% of the Company's shares was owned by a foreign individual.

From 9 December 2020 until 12 January 2021, the 100% of the Company's shares was owned by The Yoda Trust, registered in Cyprus.

From 12 January 2021 and onwards, the Company is owned by Yoda Holdings Limited, a company incorporated in Cyprus, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

25.1 Receivables from related parties (Note 19)

	2020	2019
Name	€	€
Striver Investments Limited	2.552.470	-
Other related party	76.000	-
	<u>2.628.470</u>	<u>-</u>

Based on the Contribution Agreement dated 30 October 2020, the shareholder of the Company as of that date contributed to the Company 800 Class A shares in Striver Investments Limited representing the 40% of its issued share capital and transferred the receivable from Striver Investments Limited of US\$3.135.453 in exchange of the increase of the Company's share capital by 1.000 ordinary shares of nominal value of €1 each at a share premium of €3.169.000 (Note 16 and Note 21).

Striver Investments Limited is a company incorporated in British Virgin Islands that redomiciled in Cyprus as an overseas company in 2019.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

25. Related party transactions (continued)

25.2 Loans to related parties (Note 18)

	2020	2019
	€	€
Amkiri Ltd	626.746	-
Royal Shipping Holding S.A	2.444.418	-
	<u>3.071.164</u>	<u>-</u>

Amkiri Ltd

On 29 May 2020, the Company granted a loan of US\$500.000 to Amkiri Ltd against the issuance of a convertible promissory note. On 10 September 2020 the Company granted to Amkiri Ltd an additional amount of US\$250.000 against the issuance of a convertible promissory note. The loan bears interest of 6% per annum.

Royal Shipping Holding S.A.

On 20 November 2020, the Company entered into a Loan Facility Agreement with Royal Shipping Holding S.A., for the provision of a loan up to the amount of US\$3.000.000. The loan bears interest at 1,5% per annum and is repayable once certain conditions and events are met. The loan was settled in March 2022.

25.3 Payables to related parties (Note 23)

	2020	2019
Name	€	€
Yoda Investments Limited (related party)	-	1.578
Papaitaly Holdings Limited (subsidiary)	1.000	-
Papaseas Maritime Limited (subsidiary)	10.000	-
	<u>11.000</u>	<u>1.578</u>

25.4 Loans from related parties (Note 22)

	2020	2019
	€	€
Yoda Investments Limited	-	11.617.028
The Yoda Trust	43.558.243	-
	<u>43.558.243</u>	<u>11.617.028</u>

On 12 December 2019, the Company entered into an unsecured loan facility agreement with its former shareholder, Yoda Investments Limited amounting to US\$13.000.000 (€11.660.440). The loan bore interest of 2% and was repayable by 11 December 2020.

On 31 July 2020, the Company entered into an amendment loan agreement effective from 01 January 2020, with Yoda Investment Limited for the conversion of principal and accrued interest from United States Dollars to Euro. The principal amount of US\$13.001.000 was converted to €11.608.000 and the interest accrued amounting to US\$10.112 was converted to €9.029.

The loan was fully repaid during September 2020.

On 19 March 2020, the Company, entered into a Loan Agreement with its shareholder as of that date, for the provision of a loan for the amount of €30.000.000. The loan was interest free and was repayable until 19 March 2022. On 03 September 2020, an amendment agreement was concluded and the loan facility was increased to €42.000.000. On 23 September 2020, an amendment agreement was concluded and the loan facility was increased to €60.000.000. On 09 December 2020, the loan was transferred to The Yoda Trust, being the new shareholder of the Company.

The loan was fully repaid during 2021.

PAPADUCK INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

26. Contingent liabilities

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

27. Commitments

The Company had no capital or other commitments as at 31 December 2020.

28. Events after the reporting period

The recent events in Ukraine from February 24, 2022, may have consequences for the Cypriot Economy, which cannot yet be predicted, but the main concern at the moment is the uncertainty mainly for tourism and other sectors of the economy, rising prices for fuel and other raw materials and rising inflation, which may affect household incomes and business operating costs. The financial effect of the current crisis on the Cyprus and Global economy and overall business activities cannot be estimated with reasonable certainty at this stage. The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2020.

Depending on the duration of the Covid 19 pandemic, and continued negative impact on economic activity, the Company might experience negative results, and liquidity restraints and incur impairments on its assets in 2021, 2022. The exact impact on the Company's activities in 2021, 2022 and thereafter cannot be predicted.

During December 2021, the Company disposed its subsidiary companies Papaseas Maritime Limited and Papaitaly Holdings Limited for a total consideration price of €76.000 which is repayable until 31 December 2022.

During the year 2021, the Company entered into a Joint Venture Agreement with a third party for the provision of a loan facility up to €100.000.000. Up to date the Company has utilised around €92.000.000 out of this facility.

During the years 2021 and 2022, the Company invested around €47.600.000 in new and existing investments in various shares in listed, non-listed companies and in funds and provided finance of around €58.500.000 to related and third parties.

During the years 2021 and 2022, the Company increased and amended its authorised and issued share capital as referred in Note 21.

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

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PAPADUCK INVESTMENTS LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2020

	Page	2020 €	05/06/2019- 31/12/2019 €
Revenue			
Dividend income		95.328	-
Loan interest income		50.118	-
Net gain on trading in financial instruments		6.791.548	-
Other operating income			
Other income		355.000	-
		<u>7.291.994</u>	-
Operating expenses			
Administration expenses	32	(494.790)	(23.350)
		<u>6.797.204</u>	(23.350)
Other operating expenses			
Broker fees		(2.138)	-
Operating profit/(loss)		<u>6.795.066</u>	(23.350)
Finance income	33	40.673	107.095
Finance costs	33	(333.011)	(9.029)
Net profit for the year/period before tax		<u>6.502.728</u>	<u>74.716</u>

PAPADUCK INVESTMENTS LIMITED

ADMINISTRATION EXPENSES

Year ended 31 December 2020

	2020	05/06/2019-
	€	31/12/2019
		€
Administration expenses		
Staff salaries	29.093	-
Social insurance	2.246	-
GHS contribution	789	-
Rent	2.200	-
Annual levy	350	350
Subscriptions and contributions	42	-
Auditor's remuneration	9.000	4.522
Accounting fees	7.535	-
Legal fees	5.009	4.000
Other professional fees	28.916	11.360
Travelling	400.082	-
Irrecoverable VAT	7.810	1.654
Disbursements	1.718	1.464
	494.790	23.350

PAPADUCK INVESTMENTS LIMITED

FINANCE INCOME/COSTS

Year ended 31 December 2020

	2020 €	05/06/2019- 31/12/2019 €
Finance income		
Realised foreign exchange profit	40.673	-
Unrealised foreign exchange profit	-	107.095
	<u>40.673</u>	<u>107.095</u>
Finance costs		
Interest expense		
Loan interest	157.463	9.029
Bank overdraft interest	93	-
Interest on taxes	36	-
Sundry finance expenses		
Bank charges	27.084	-
Net foreign exchange losses		
Unrealised foreign exchange loss	148.335	-
	<u>333.011</u>	<u>9.029</u>

PAPADUCK INVESTMENTS LIMITED

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2020

	Page	€	€
Net profit per income statement	31		6.502.728
Add:			
Broker fees		2.138	
Unrealised foreign exchange loss		148.335	
Annual levy		350	
Interest on taxes		36	
Other administration expenses (apportioned based on the asset approach - Circular 2008/14)		390.255	
Notional Interest Income		<u>10.512</u>	
			<u>551.626</u>
			7.054.354
Less:			
Profit from sale of financial assets at fair value through profit or loss		6.791.548	
Dividends received		95.328	
Realised foreign exchange profit		40.673	
Notional interest deduction		<u>7.735</u>	
			<u>(6.935.284)</u>
Chargeable income for the year			119.070
Loss brought forward			<u>(4.260)</u>
Chargeable income			<u><u>114.810</u></u>
Calculation of corporation tax	Income	Rate	Total
	€	%	€ c
Tax at normal rates:			
Chargeable income as above	<u>114.810</u>	12,50	14.351,25
Tax paid provisionally	<u>100.000</u>		(12.500,00)
Credit claimed in respect of foreign tax on interest received			<u>(2.024,00)</u>
TAX REFUNDABLE			<u><u>(172,75)</u></u>

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

Tax year	2015	2016	2017	2018	2019	2020
	€	€	€	€	€	€
Profits/(losses) for the tax year	-	-	-	-	(4.260)	119.070
Gains Offset (€)	-	-	-	-	4.260	-
- Year					2020	
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						