

PAPADUCK INVESTMENTS LIMITED

FINANCIAL STATEMENTS

31 December 2020

PAPADUCK INVESTMENTS LIMITED

FINANCIAL STATEMENTS Year ended 31 December 2020

CONTENTS	PAGE
Board of Directors and other Corporate Information	1
Independent Auditor's Report	2 - 4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 30
Additional information to the Statement of Comprehensive Income	31 - 34

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.



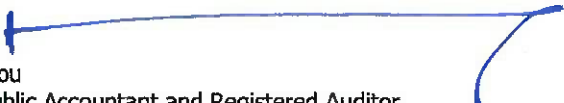
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Other Matters

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	<u>10.000</u>	-	-	<u>10.000</u>
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	<u>1.021</u>	<u>11.092.989</u>	-	<u>11.094.010</u>
Balance at 31 December 2020		<u>11.021</u>	<u>11.092.989</u>	<u>6.552.650</u>	<u>17.656.660</u>

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>	11.714.200

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.

Independent Auditor's Report on pages 2 to 4

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)
		6.797.204	(23.350)
Other operating expenses			
Broker fees		(2.138)	-
Operating profit/(loss)		6.795.066	(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
	40.673	107.095
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	-
	333.011	9.029

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						