

**STAYNIA HOLDINGS LIMITED**

FINANCIAL STATEMENTS

31 December 2019

# STAYNIA HOLDINGS LIMITED

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## FINANCIAL STATEMENTS

31 December 2019

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# STAYNIA HOLDINGS LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	NAP Directors Limited Konstantinos Pavlou (appointed on 20 December 2019) Spyridon Psychogyios (appointed on 20 December 2019) Panagiotis Aristeidis Varfis (resigned on 20 December 2019) Natalia Strafti (resigned on 20 December 2019)
<b>Company Secretary:</b>	NAP Secretarial Limited
<b>Independent Auditors:</b>	KPMG Limited Certified Public Accountants and Registered Auditors 14, Esperidon Street 1087, Nicosia Cyprus
<b>Registered office:</b>	Gianni Kranidioti 10 Nice Day House, Floor 6 CY-1065, Nicosia Cyprus
<b>Bankers:</b>	Alpha Bank Cyprus Limited Piraeus Bank S.A. Eurobank Cyprus Limited (opened in 2020)



KPMG Limited  
Chartered Accountants  
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**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF**  
**STAYNIA HOLDINGS LIMITED**

**Report on the audit of the financial statements**

***Opinion***

We have audited the accompanying financial statements of Staynia Holdings Limited (the "Company"), which are presented on pages 5 to 20 and comprise the statement of financial position as at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS-EU") and the requirements of the Cyprus Companies Law, Cap. 113, as amended from time to time (the "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 the "*Auditors' responsibilities for the audit of the financial statements*" section of our report. We are independent of the Company in accordance with the International Code of Ethics (Including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the financial statements, 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.

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***Emphasis of matter***

We draw attention to note 2 to the financial statements which describes that the financial statements have not been prepared on a going concern basis. Our opinion is not modified in respect of this matter

***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 IFRS-EU and the requirements of the 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 there is an intention to either liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

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

***Auditors' 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 auditors' 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 skepticism 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.

***Auditors' responsibilities for the audit of the financial statements*** (continued)

- 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

***Other Matter***

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law 2017, L.53(I)/2017, as amended from time to time, 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 year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 July 2019.



Constantinos N. Kallis, FCA  
Certified Public Accountant and Registered Auditor  
for and on behalf of

KPMG Limited  
Certified Public Accountants and Registered Auditors  
14 Esperidon Street  
1087 Nicosia  
Cyprus

7 December 2020

# STAYNIA HOLDINGS LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2019

	Note	2019 €	2018 €
Administration expenses	6	<u>(9.296)</u>	(9.054)
<b>Operating loss</b>		<b>(9.296)</b>	(9.054)
Finance costs - net	7	<u>(472)</u>	(956)
<b>Loss before tax</b>		<b>(9.768)</b>	(10.010)
Tax	8	<u>-</u>	-
<b>Net loss for the year</b>		<b>(9.768)</b>	(10.010)
<b>Other comprehensive income</b>			
<b>Items that will not be classified subsequently to profit or loss:</b>			
Financial assets at fair value through other comprehensive income - Fair value gains	9	<u>815.224</u>	66.902
<b>Other comprehensive income for the year</b>		<b>815.224</b>	66.902
<b>Total comprehensive income for the year</b>		<b>805.456</b>	56.892

The notes on pages 9 to 20 form an integral part of these financial statements.


# STAYNIA HOLDINGS LIMITED


## STATEMENT OF FINANCIAL POSITION

31 December 2019

	Note	2019 €	2018 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in joint venture	9	<u>5.879.576</u>	5.064.352
		<u>5.879.576</u>	5.064.352
<b>Current assets</b>			
Trade and other receivables	10	-	35.000
Cash and cash equivalents	11	<u>24.834</u>	601
		<u>24.834</u>	35.601
<b>Total assets</b>		<u><b>5.904.410</b></u>	<u>5.099.953</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	10.000	10.000
Share premium		2.843.664	2.843.664
Revaluation reserve		3.079.576	2.264.352
Accumulated losses		<u>(34.422)</u>	(24.654)
<b>Total equity</b>		<u><b>5.898.818</b></u>	<u>5.093.362</u>
<b>Current liabilities</b>			
Trade and other payables	14	5.592	6.550
Borrowings	13	-	41
		<u>5.592</u>	6.591
<b>Total equity and liabilities</b>		<u><b>5.904.410</b></u>	<u>5.099.953</u>

On 7 December 2020 the Board of Directors of Staynia Holdings Limited authorised these financial statements for issue.

  
.....  
Konstantinos Pavlou  
Director

  
.....  
Spyridon Psychogyios  
Director

The notes on pages 9 to 20 form an integral part of these financial statements.



# STAYNIA HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY

31 December 2019

Note	Share capital €	Share premium €	Fair value reserve €	Accumulated losses €	Total €
<b>Balance at 1 January 2018</b>	<b>2.000</b>	<b>2.312.660</b>	<b>2.197.450</b>	<b>(14.644)</b>	<b>4.497.466</b>
<b>Comprehensive income</b>					
Net loss for the year	-	-	-	(10.010)	(10.010)
Other comprehensive income for the year	9	-	66.902	-	66.902
<b>Total comprehensive income for the year</b>			66.902	(10.010)	56.892
<b>Transactions with owners</b>					
Issue of share capital	12	8.000	531.004	-	539.004
<b>Balance at 31 December 2018/ 1 January 2019</b>	<b>10.000</b>	<b>2.843.664</b>	<b>2.264.352</b>	<b>(24.654)</b>	<b>5.093.362</b>
<b>Comprehensive income</b>					
Net loss for the year	-	-	-	(9.768)	(9.768)
Other comprehensive income for the year	9	-	815.224	-	815.224
<b>Total comprehensive income for the year</b>			815.224	(9.768)	805.456
<b>Balance at 31 December 2019</b>	<b>10.000</b>	<b>2.843.664</b>	<b>3.079.576</b>	<b>(34.422)</b>	<b>5.898.818</b>

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

The fair value reserve comprises of the cumulative net change in fair value of equity securities designated at FVOCI.

The notes on pages 9 to 20 form an integral part of these financial statements.

# STAYNIA HOLDINGS LIMITED

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## STATEMENT OF CASH FLOWS

31 December 2019

	Note	2019 €	2018 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax</b>		<u>(9.768)</u>	<u>(10.010)</u>
		<b>(9.768)</b>	<b>(10.010)</b>
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		<b>35.000</b>	(34.663)
(Decrease)/increase in trade and other payables		<u>(958)</u>	<u>4.396</u>
<b>Cash generated from/(used in) operations</b>		<u><b>24.274</b></u>	<u>(40.277)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of additional share capital in joint ventures	9	<u>-</u>	<u>(500.000)</u>
<b>Net cash used in investing activities</b>		<u>-</u>	<u>(500.000)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		<u>-</u>	<u>539.004</u>
<b>Net cash generated from financing activities</b>		<u>-</u>	<u>539.004</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>24.274</b>	(1.273)
Cash and cash equivalents at beginning of the year		<u><b>560</b></u>	<u>1.833</u>
<b>Cash and cash equivalents at end of the year</b>	11	<u><u><b>24.834</b></u></u>	<u><u>560</u></u>

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The notes on pages 9 to 20 form an integral part of these financial statements.

# STAYNIA HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 1. Incorporation and principal activities

#### Country of incorporation

Staynia Holdings Limited (the "Company") was incorporated and domiciled in Cyprus on 5 May 2016 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Gianni Kranidioti 10, Nice Day House, Floor 6, CY-1065, Nicosia, Cyprus.

#### Principal activity

The principal activity of the Company, which is unchanged from last year, is the holding of investments.

### 2. Basis of preparation

The financial statements 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.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through other comprehensive income.

As the parent company of the Company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in Greece as these are defined in the Cyprus Companies Law, Cap. 113, the investment in joint venture is accounted for IFRS 9. This would have been the accounting treatment in accordance with IFRSs if the determination of the Generally Accepted Accounting Principles was provided for by the IFRSs instead of by the Cyprus Companies Law, Cap. 113.

#### Non Going Concern basis

The financial statements have been prepared on the basis that the Company will not continue to operate as a going concern since management intends to liquidate the Company.

Nevertheless, the preparation on this basis did not have any significant effect on the Company's accounting policies which continue to be in accordance with IFRSs.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

#### Functional and presentation currency

The financial statements are presented in Euro (€) which is the functional currency of the Company.

### 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 2019. This adoption did not have a material effect on the accounting policies of the Company.

# STAYNIA HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 3. Adoption of new or revised standards and interpretations (continued)

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 for annual periods beginning on 1 January 2019. Some of them were adopted by the European Union and others not yet. The Company does not plan to adopt these standards and interpretations early.

### 4. 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.

#### Joint arrangements

Joint arrangements are arrangements of which the Company has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Investments in joint arrangements are classified as financial assets at fair value through other comprehensive income. Gains or losses on investments in joint arrangements are recognised directly in equity through other comprehensive income and are never reclassified to profit or loss. Dividends from joint arrangements are recognised in profit or loss when the Company's right to receive payment is established.

#### **Finance costs**

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

#### **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 at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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). This election is made on an investment - by - investment basis.

All other financial assets are classified as measured at FVTPL.

# STAYNIA HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 4. Significant accounting policies (continued)

#### Financial assets - Recognition and derecognition

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 are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### 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.

#### 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 two 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 profit or loss and other 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 profit or loss and other comprehensive income.

#### 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 profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

# STAYNIA HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 4. Significant accounting policies (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 AC and FVOCI and with the 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 profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC 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.

Expected losses are recognised and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset 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 5, 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.

#### 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.

# STAYNIA HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 4. Significant accounting policies (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 deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

#### Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These 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.

# STAYNIA HOLDINGS LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 4. Significant accounting policies (continued)

#### Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if a payment is 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 liabilities.

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

#### 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 and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

### 5. Financial risk management

#### Financial risk factors

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

##### 5.1 Credit risk

Credit risk arises from cash and cash equivalents and receivables from related parties.

Independently from the following analysis, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A financial instrument is considered impaired when the debtor is 90 days past due on its payment.

Financial assets are written-off when there is no reasonable expectation of recovery, such as failure of the debtor to engage in a repayment plan with the Company:

When the receivables are written-off the Company continues to perform activities for legislation enforcement in order to retrieve the due claim. When there are recoveries, they are recognised in the profit or loss.



# STAYNIA HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 5. Financial risk management (continued)

#### 5.1 Credit risk (continued)

##### (i) Cash and cash equivalents

For credit risk related to cash balances and deposits in banks and financial institutions, the Company has policies in place to ensure that cash balances are deposited with financial institutions of an acceptable credit quality. The Company calculates the expected credit losses based on the external credit ratings.

The following presents an analysis of the gross carrying value of the Company's cash at bank in connection with the credit risk assessments that have been performed by external credit ratings as issued by external credit agencies. The following amounts represent the maximum exposure to credit risk as at 31 December 2019:

<b>Cash at bank and short-term bank deposits</b>	<b>2019</b>
Caa2	€ 24.834

No expected credit loss was determined for cash balances as at 31 December 2019. As at 31 December 2019, all cash and cash equivalents were performing - Stage 1.

##### ii) Receivables from related parties

For credit risk related to balances with related parties, the Company estimated on an individual basis its exposure to credit risk. This estimation takes into account, among others, the period during the receivable balance is due, if the receivable amount is past due, the expectations regarding changes in the business, financial or economic conditions and the ability of the counterparty to repay the receivable balance as well. The Company's receivables from related parties for 2018 were €35.000 at Stage 1. For receivables balances from related parties at Stage 1 the expected credit loss estimated by management was insignificant to be recognised.

#### Credit quality of financial assets as at 31 December 2018

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external ratings (if applicable) or to historical information about counterparty default rates:

<b>Cash at bank and short-term bank deposits</b>	<b>2018</b>
Caa2	€ 601

#### 5.2 Liquidity risk

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

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2018	Carrying amounts	Contractual cash flows	Less than 1 year	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€
Bank overdrafts	41	41	41	-	-	-
Trade and other payables	2.790	2.790	2.790	-	-	-
	<u>2.831</u>	<u>2.831</u>	<u>2.831</u>	<u>-</u>	<u>-</u>	<u>-</u>

# STAYNIA HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 5. Financial risk management (continued)

#### 5.3 Capital risk management

Capital includes equity shares and share premium.

As disclosed in note 2, the financial statements have not been prepared on a going concern basis.

#### Fair value estimation

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

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

#### Fair value measurements recognised in statement of financial position

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

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

<b>31 December 2019</b>	Level 1	Level 2	Level 3	Total
	€	€	€	€
<b>Financial assets</b>				
Investment in joint venture	-	5.879.576	-	5.879.576
<b>Total</b>	-	<b>5.879.576</b>	-	<b>5.879.576</b>
31 December 2018	Level 1	Level 2	Level 3	Total
	€	€	€	€
Financial assets				
Investment in joint venture	-	5.064.352	-	5.064.352
<b>Total</b>	-	<b>5.064.352</b>	-	<b>5.064.352</b>

The fair value is determined using unadjusted net asset value (Level 2 measurement). The net asset value approximates the fair value at the reporting date.

### 6. Expenses by nature

	<b>2019</b>	2018
	€	€
Auditors' remuneration - current year	<b>2.380</b>	2.000
Auditors' remuneration - prior years	<b>440</b>	-
Cyprus Registrar of Companies annual levy	<b>350</b>	350
Telephone and postage	-	37
Accounting fees	<b>476</b>	1.575
Other professional fees	<b>5.650</b>	4.997
Accounting fees - prior year	-	95
<b>Total expenses</b>	<b>9.296</b>	9.054

# STAYNIA HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 7. Finance costs

	2019 €	2018 €
Other finance costs	472	956
<b>Finance costs</b>	<b>472</b>	<b>956</b>

### 8. Tax

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

	2019 €	2018 €
Loss before tax	(9.768)	(10.010)
Tax calculated at the applicable tax rates	(1.221)	(1.251)
Tax effect of expenses not deductible for tax purposes	809	838
Tax effect of tax loss for which no deferred tax asset was recognised	412	413
<b>Tax charge</b>	<b>-</b>	<b>-</b>

The corporation tax rate is 12,5%.

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

Due to tax losses sustained in the period, no tax liability arises on the Company. Tax losses may be carried forward for five years. Group companies may deduct losses against profits arising during the same tax year. As at 31 December 2019, the balance of tax losses which is available for offset against future taxable profits amounts to €11.365 which no deferred tax asset is recognised in the statement of Financial Position.

### 9. Investment in joint venture

	2019 €	2018 €
Balance at 1 January	5.064.352	4.497.450
Additions	-	500.000
Fair value gain	815.224	66.902
<b>Balance at 31 December</b>	<b>5.879.576</b>	<b>5.064.352</b>

The details of the investment in joint venture are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>	2019 €	2018 €
Piraeus Port Plaza 1 S.A.	Greece	Property development	48,04	5.879.576	5.064.352
				<b>5.879.576</b>	<b>5.064.352</b>

On 15 June 2018, the Company acquired an additional 12.500 shares of Piraeus Port Plaza 1 S.A. of nominal value of €10 each at a premium of €30 per share amounting to €500.000.

# STAYNIA HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 9. Investment in joint venture (continued)

193.750 shares out of 208.70 of Piraeus Port Plaza 1 S.A. which are held by the Company are pledged to Piraeus Bank S.A. as a guarantee for the financing arrangement provided to Piraeus Port Plaza 1 S.A. amounted to €20.000.000. The financing arrangement matures on 8 February 2024.

### 10. Trade and other receivables

	2019	2018
	€	€
Receivables from related parties (Note 15.2)	-	35.000
	<u>-</u>	<u>35.000</u>

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 5 of the financial statements.

### 11. Cash and cash equivalents

	2019	2018
	€	€
Cash at bank	24.834	601
	<u>24.834</u>	<u>601</u>

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2019	2018
	€	€
Cash at bank	24.834	601
Bank overdrafts (Note 13)	-	(41)
	<u>24.834</u>	<u>560</u>

Cash and bank balances are denominated in Euro.

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the financial statements.

### 12. Share capital

	2019	2019	2018	2018
	Number of shares	€	Number of shares	€
<b>Authorised</b>				
Ordinary shares of €1 each	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>
<b>Issued and fully paid</b>				
Balance at 1 January	10.000	10.000	2.000	2.000
Issue of shares	-	-	8.000	8.000
<b>Balance at 31 December</b>	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>	<u>10.000</u>

# STAYNIA HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

### 13. Borrowings

	2019	2018
	€	€
<b>Current borrowings</b>		
Bank overdrafts (Note 11)	-	41

### 14. Trade and other payables

	2019	2018
	€	€
Other payables	-	2.790
Accrued expenses	5.592	3.760
	<b>5.592</b>	<b>6.550</b>

### 15. Related party transactions

The Company is controlled by Grivalia Properties REIC, registered in Greece, owning 100% of the Company's share capital. As of May 17, 2019, Grivalia Properties REIC was acquired by Eurobank Ergasias Services and Holdings S.A..

The following transactions were carried out with related parties:

#### 15.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2019	2018
	€	€
Directors' fees	1.000	-
	<b>1.000</b>	<b>-</b>

#### 15.2 Receivables from related parties (Note 10)

Name	2019	2018
	€	€
Grivalia Properties REIC	-	35.000
	<b>-</b>	<b>35.000</b>

The balance was interest free and was repayable on demand.

### 16. Events after the reporting period

In late 2019, beginning 2020, there was an outbreak of the Coronavirus disease (COVID-19) around the world and the World Health Organization declared the spread of the virus "a global pandemic". Many countries including the United States of America, Italy, France, Germany etc. have declared a state of emergency.

The Cyprus economy could not remain unaffected by the repercussions of the coronavirus. The Cyprus Government has announced a special support package to boost business liquidity over the next months.

As the outbreak continues to progress and evolve, and the outcome of the disease is unpredictable, we are not yet able to assess the magnitude of the negative consequences of this unprecedented and unexpected crisis and the adverse financial effects on our business and operations.

On 31 July 2020 signed an agreement to dispose its investment in joint venture for a cash consideration of €6.072.485.

# **STAYNIA HOLDINGS LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS** 31 December 2019

### **16. Events after the reporting period (continued)**

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**

