

Parasant SA

Geneva

Report of the statutory auditor
to the General Meeting on the
financial statements 2021



Report of the statutory auditor

to the General Meeting of Parasant SA

Geneva

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accompanying financial statements of Parasant SA, which comprise the balance sheet, income statement and notes, for the year ended 31 December 2021.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2021 comply with Swiss law and the company's articles of incorporation.

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Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Philippe Bochud
Audit expert
Auditor in charge

Nicola Padula
Audit expert

Geneva, 24 May 2022

Enclosure:

- Financial statements (balance sheet, income statement and notes)

BALANCE SHEET AT DECEMBER 31, 2021
(with 2020 comparative figures)

(expressed in CHF)

	<u>NOTES</u>	<u>2021</u>	<u>2020</u>
ASSETS			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents		3'697'542	3'766'145
Third parties prepaid expenses		9'538	244'244
Related parties short-term interest-bearing loans	3.1	112'433'890	114'836'095
Related parties accrued interest		40'090	47'947
<i>Total current assets</i>		<u>116'181'060</u>	<u>118'894'431</u>
<u>NON-CURRENT ASSETS</u>			
Investments, net	3.2	<u>1'081'281'536</u>	<u>1'081'281'536</u>
<i>Total non-current assets</i>		<u>1'081'281'536</u>	<u>1'081'281'536</u>
TOTAL ASSETS		<u>1'197'462'596</u>	<u>1'200'175'967</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
<u>SHORT-TERM LIABILITIES</u>			
Third parties other short-term liabilities		6'368	15'918
Third parties accrued expenses		40'898	29'221
Related parties accrued interest		2'435	2'525
Deferred exchange gain	3.1	-	195'883
<i>Total short term liabilities</i>		<u>49'701</u>	<u>243'547</u>
<u>SHAREHOLDERS' EQUITY</u>			
Share capital - 1'215'000 registered shares of CHF 1'000 each, fully paid		1'215'000'000	1'215'000'000
Legal reserve issued from earnings		151'052'493	151'052'493
Accumulated losses		(168'639'598)	(166'120'073)
<i>Total shareholders' equity</i>	3.3	<u>1'197'412'895</u>	<u>1'199'932'420</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1'197'462'596</u>	<u>1'200'175'967</u>

INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2021
(with 2020 comparative figures)

(expressed in CHF)

	NOTES	2021	2020
Dividend income		0	64'640'212
Computer services income, from related parties	3.4	449'957	711'898
Other income		34	359
TOTAL operating income		449'991	65'352'469
Personnel expenses	3.5	(385'145)	(630'986)
Overheads expenses		(203'026)	(199'447)
TOTAL operating costs		(588'171)	(830'433)
NET (LOSS) / PROFIT BEFORE FINANCIAL RESULT AND TAXES		(138'180)	64'522'036
Exchange loss		(2'790'127)	(10'532)
Financial income, from related parties		447'824	47'947
Financial expenses, from related parties		(9'427)	(295'662)
TOTAL financial result		(2'351'730)	(258'247)
NET (LOSS) / PROFIT BEFORE TAXES		(2'489'910)	64'263'789
Direct taxes		(29'615)	(28'871)
NET (LOSS) / PROFIT		(2'519'525)	64'234'918
Accumulated losses		(166'120'073)	(230'354'991)
ACCUMULATED LOSSES		(166'639'598)	(166'120'073)

1. Reporting entity

Parasant SA (hereafter “the Company”) was incorporated on June 23, 1995 and is registered in the Commercial Register of Geneva (Switzerland) since June 26, 1995. The address of the Company’s registered office is Rue Pécolat 8, Genève. Its primary activity is the holding of investments. The Company also provides computer services, based on contractual arrangements.

A group consolidation is performed at the parent entity level in Spain, including Company’s investment. As this consolidation is subject to ordinary audit and performed on the basis of a recognized accounting law, it is not required as per Swiss law to establish consolidated financial statements at Company level as per article 963a para. 2 of the Swiss Code of Obligations. It is also not required to add a cash flow statement and an annual report to the financial statements, as per article 961d para. 1 of the Swiss Code of Obligations.

2. Principles of valuation

The valuation principles applied in these annual financial statements comply with the requirements of the Swiss accounting law, in particular with the articles covering the accounting and financial statements presentation (articles 957 to 962 of the Swiss Code of Obligations).

Where not prescribed by the law, the significant accounting and valuation principles applied are described below.

a) Revenue recognition

Revenue from services rendered is recognized in the statement of operations in proportion to the stage of completion of the transaction at the reporting date. Interests on the deposits/loans are recognized in the year of entitlement. Dividends are recognized at the payment date.

b) Receivables from services

Receivables from services and the other short-terms receivables are recognized at nominal value, less provision for impairment.

c) Investments

Investments are carried at historical cost, less provision for permanent value impairment.

d) Taxes

The Company provides for taxes due on profits and on the equity at the balance sheet date.

2. Principles of valuation (continued)**e) Foreign currency translation**

The financial statements are presented in CHF, functional currency of the Company. Assets and liabilities, other than investments, denominated in foreign currencies, are translated to CHF at the rates of exchange prevailing at the balance sheet date. Revenues and expenses arising in foreign currencies are translated into CHF at the rates of exchange prevailing at the dates of the transactions. The foreign currency gains or losses are recognized in the statement of operations, except unrealized exchange gains which are deferred.

The main exchange rates prevailing at year-end against the Swiss franc are:

	2021	2020
1 EUR	1.03282897	1.08060158

3. Disclosures on the balance sheet and statement of operations items

3.1 Short-term interest-bearing loans	2021	2020
Loans to related parties group entities (in CHF)	50'150'000	50'000'000
Loans to related parties group entities (in EUR)	62'283'890	64'836'095
Total	112'433'890	114'836'095

The Company made a loan to a related party group entity for an amount of CHF 50'150'000 (2020 : CHF 50'000'000), on September 29, 2021, maturing on September 29, 2022 . The loan bears interests at the rate published by the Swiss Tax Administration on a yearly basis and is renewable on a periodic basis. During the year 2021, a total of interest income of CHF 126'834 was booked in the income statement (2020 : CHF 32'639).

The Company made a loan to a related party group entity for an amount of EUR 60'304'167 (2020 : EUR 60'000'000), on December 15, 2021, maturing on December 15, 2022 and renewable on a periodic basis. The interest rate on the loan is calculated according to the yearly interest rate as published by the Swiss Tax Administration. During the year 2021, a total of interest income of EUR 297'119 / CHF 320'990 was booked in the income statement (2020 : EUR 14'167 / CHF 15'308).

3. Disclosures on the balance sheet and statement of operations items (continued)**3.1 Short-term interest-bearing loans (continued)**

As of December 31, 2021, the unrealized exchange gain resulting from the revaluation into CHF of the loan in EUR was deferred in the balance sheet for an amount of CHF 0 (2020 : CHF 195'883).

3.2 Investments

Name of the Companies	Capital		Value	
	31.12.2021		31.12.2021	
	Capital %	Vote %	Purchase	Book value
Holbah II Limited, Bahamas	100	100	575'476'075	575'476'075
Banco Santander International SA, Switzerland	34.70	34.70	557'855'020	557'855'020
./. Banco Santander International SA provision			0	(52'049'559)
TOTAL			1'133'331'095	1'081'281'536

Name of the Companies	Capital		Value	
	31.12.2020		31.12.2020	
	Capital %	Vote %	Purchase	Book value
Holbah II Limited, Bahamas	100	100	575'476'075	575'476'075
Banco Santander International SA, Switzerland	34.70	34.70	557'855'020	557'855'020
./. Banco Santander International SA provision			0	(52'049'559)
TOTAL			1'133'331'095	1'081'281'536

3. Disclosures on the balance sheet and statement of operations items (continued)**3.3 Shareholders' equity variation**

Description	Share capital	Legal reserve	Accumulated losses	Shareholders' equity
Balance as at 31.12.2019	1'215'000'000	151'052'493	(230'354'991)	1'135'697'502
Result of the year 2020	-	-	64'234'918	64'234'918
Balance as at 31.12.2020	1'215'000'000	151'052'493	(166'120'073)	1'199'932'420
Balance as at 31.12.2020	1'215'000'000	151'052'493	(166'120'073)	1'199'932'420
Result of the year 2021	-	-	(2'519'525)	(2'519'525)
Balance as at 31.12.2021	1'215'000'000	151'052'493	(168'639'598)	1'197'412'895

3.4 Revenue from sale of services	2021	2020
Revenue from computer services	449'957	711'898
Total	449'957	711'898

3.5 Personnel expenses	2021	2020
Payroll	308'014	528'423
Social charges	61'675	87'023
Other	15'456	15'540
Total	385'145	630'986

4. Other information

4.1 Full-time equivalents

The average number of full-time equivalents for the reporting year, as well as the previous year, does not exceed 10.

4.2 Rental commitments

	2021	2020
Less than 1 year	39'059	39'059
From 1 to 5 years	113'922	152'981
Total	152'981	192'040

The company has no commitments exceeding 5 years.