

# Parasant SA

Geneva

Report of the statutory auditor  
to the General Meeting on the financial  
statements 2022



# Report of the statutory auditor to the General Meeting of Parasant SA

Geneva

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Parasant SA (the Company), which comprise the balance sheet as at 31 December 2022, and the income statement 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 comply with Swiss law and the Company's articles of incorporation.

### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and 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 provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, 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.

### 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 Swiss law and SA-CH 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 Swiss law and SA-CH, 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.

PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, case postale, 1211 Geneva 2, Switzerland  
Telephone: +41 58 792 91 00, [www.pwc.ch](http://www.pwc.ch)

- 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.
- 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.

We communicate with the Board of Directors or its relevant committee 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.

## Report on other legal and regulatory requirements

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

We further confirm that the proposed carry forward of the accumulated losses complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Philippe Bochud  
Licensed audit expert  
Auditor in charge

Nicola Padula  
Licensed audit expert

Geneva, 25 May 2023

Enclosures:

- Financial statements (balance sheet, income statement and notes)
- Proposed carry forward of the accumulated losses

Balance Sheets as at December 31

	<u>NOTES</u>	<u>2022</u> CHF	<u>2021</u> CHF
<b>ASSETS</b>			
Cash and cash equivalents		3'408'067	3'697'542
Third parties prepaid expenses		4'233	9'538
Related parties short-term interest-bearing loans	3.1	110'165'587	112'433'890
Related parties accrued interest		46'970	40'090
<b>Total Current assets</b>		<b>113'624'857</b>	<b>116'181'060</b>
Investments, net	3.2	1'081'281'536	1'081'281'536
<b>Total Non-current assets</b>		<b>1'081'281'536</b>	<b>1'081'281'536</b>
<b>TOTAL ASSETS</b>		<b><u>1'194'906'393</u></b>	<b><u>1'197'462'596</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Third parties other short-term liabilities		7'404	6'368
Third parties accrued expenses		29'762	40'898
Related parties accrued interest		0	2'435
<b>Total Short-term liabilities</b>		<b>37'166</b>	<b>49'701</b>
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
Results carried forward		(168'639'598)	(166'120'073)
Loss for the year		(2'543'668)	(2'519'525)
<b>Total Shareholders' equity</b>	3.3	<b>1'194'869'227</b>	<b>1'197'412'895</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>1'194'906'393</u></b>	<b><u>1'197'462'596</u></b>

Income Statements for the years ended December 31

	<u>NOTES</u>	<u>2022</u> <u>CHF</u>	<u>2021</u> <u>CHF</u>
Computer services income, from related parties	3.4	490'653	449'957
Other income		3	34
<b>TOTAL operating income</b>		<b>490'656</b>	<b>449'991</b>
Personnel expenses	3.5	(424'425)	(385'145)
Overheads expenses		(193'999)	(203'026)
<b>TOTAL operating costs</b>		<b>(618'424)</b>	<b>(588'171)</b>
<b>NET LOSS BEFORE FINANCIAL RESULT AND TAXES</b>		<b>(127'768)</b>	<b>(138'180)</b>
Exchange loss		(2'816'507)	(2'790'127)
Financial income, from related parties		433'440	447'824
Financial expenses, from related parties		(5'483)	(9'427)
<b>TOTAL financial result</b>		<b>(2'388'550)</b>	<b>(2'351'730)</b>
<b>NET LOSS BEFORE TAXES</b>		<b>(2'516'318)</b>	<b>(2'489'910)</b>
Direct taxes		(27'350)	(29'615)
<b>NET LOSS</b>		<b>(2'543'668)</b>	<b>(2'519'525)</b>

**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:

	<b>2022</b>	<b>2021</b>
1 EUR	0.98783604	1.03282897

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

	<b><u>2022</u></b>	<b><u>2021</u></b>
Loans to related parties group entities (in CHF)	50'300'000	50'150'000
Loans to related parties group entities (in EUR)	59'865'587	62'283'890
<b>Total</b>	<b><u>110'165'587</u></b>	<b><u>112'433'890</u></b>

The Company granted a loan to a related party group entity for an amount of CHF 50'300'000 (2021 : CHF 50'150'000), on September 29, 2022, reaching maturity on September 29, 2023. 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 2022, a total of interest income of CHF 127'214 was booked in the income statement (2021 : CHF 126'834).

The Company granted a loan to a related party group entity for an amount of EUR 60'602'756 (2021 : EUR 60'304'167), on December 15, 2022, reaching maturity on December 15, 2023. 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 2022, a total of interest income of EUR 305'779 / CHF 306'226 was booked in the income statement (2021 : EUR 297'119 / CHF 320'990).

## 3. Disclosures on the balance sheet and statement of operations items (continued)

## 3.2 Investments

Name of the Companies	Capital		Value	
	31.12.2022		31.12.2022	
	Capital %	Vote %	Purchase	Book value
Santander Investment Bank 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)
<b>TOTAL</b>			<b>1'133'331'095</b>	<b>1'081'281'536</b>

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)
<b>TOTAL</b>			<b>1'133'331'095</b>	<b>1'081'281'536</b>

Holbah II Limited and its 100% owned subsidiary, Santander Investment Bank Limited, have executed a reverse merger, according to their Board of Director's decisions dated 15<sup>th</sup> December 2022. The reverse merger has been filed on 16<sup>th</sup> December 2022 to the Registrar General Department of Nassau, Bahamas, which has been approved. As a result, Parasant SA received 100% of the shares of Santander Investment Bank Limited, representing 100% of the voting rights.



## 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 31.12.2020	1'215'000'000	151'052'493	(166'120'073)	1'199'932'420
Result of the year 2021	0	0	(2'519'525)	(2'519'525)
<b>Balance as at 31.12.2021</b>	<b>1'215'000'000</b>	<b>151'052'493</b>	<b>(168'639'598)</b>	<b>1'197'412'895</b>
Balance as at 31.12.2021	1'215'000'000	151'052'493	(168'639'598)	1'197'412'895
Result of the year 2022	0	0	(2'543'668)	(2'543'668)
<b>Balance as at 31.12.2022</b>	<b>1'215'000'000</b>	<b>151'052'493</b>	<b>(171'183'266)</b>	<b>1'194'869'227</b>

## 3.4 Revenue from sale of services

	<u>2022</u>	<u>2021</u>
Revenue from computer services	490'653	449'957
<b>Total</b>	<b>490'653</b>	<b>449'957</b>

## 3.5 Personnel expenses

	<u>2022</u>	<u>2021</u>
Payroll	(339'170)	(308'014)
Social charges	(67'690)	(61'675)
Other	(17'565)	(15'456)
<b>Total</b>	<b>(424'425)</b>	<b>(385'145)</b>

**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 Pension plan**

No liabilities in relation with pension plan were opened at 31 December 2022 and 31 December 2021.

**4.3 Rental commitments**

	<u>2022</u>	<u>2021</u>
Less than 1 year	39'059	39'059
From 1 to 5 years	74'863	113'922
Over 5 years	0	0
<b>Total</b>	<u>113'922</u>	<u>152'981</u>

**4.4 Tax losses**

As of December 31, 2021, the Company's tax losses confirmed by the Geneva tax authorities amount to CHF 172'729'982 and expire as follow :

2023 :	CHF	69'348'482
2024 :	CHF	333'814
2025 :	CHF	99'900'691
2026 :	CHF	627'470
2027 :	CHF	0
2028 :	CHF	2'519'525

**4.5 Significant subsequent events**

No events after the balance sheet date require disclosure.

**Parasant SA, Geneva**

**Proposed carry forward of the accumulated losses**

---

The Board of Directors proposes to carry forward the accumulated losses as follows :

	<b>CHF</b>
Accumulated losses carried forward at the beginning of the year	(168'639'598)
Loss for the year	(2'543'668)
<b>Accumulated losses to be carried forward</b>	<u><b>(171'183'266)</b></u>