

# Parasant SA

Geneva

Report of the statutory auditor  
to the General Meeting

on the financial statements 2023



# 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 2023, 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 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 judgement 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.

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- 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 para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the financial statements.

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

Omar Grossi  
Licensed audit expert  
Auditor in charge

Pierre Boffy

Genève, 29 April 2024

Enclosures:

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

## Balance Sheet as of December 31

	<u>Notes</u>	<u>2023</u> <u>CHF</u>	<u>2022</u> <u>CHF</u>
<b>ASSETS</b>			
Cash and cash equivalents		3'120'361	3'408'067
Other short-term receivables	3.1	108'925'526	110'165'587
Prepaid expenses and accrued income	3.2	288'007	51'203
<b>Total current assets</b>		<b>112'333'894</b>	<b>113'624'857</b>
Investments	3.3	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>1'193'615'430</b>	<b>1'194'906'393</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Other short-term liabilities		7'105	7'404
Accrued expenses and deferred income		33'038	29'762
<b>Total short-term liabilities</b>		<b>40'143</b>	<b>37'166</b>
Share capital		1'215'000'000	1'215'000'000
Legal reserves			
Legal reserve issued from earnings		151'052'493	151'052'493
Available earnings			
Results carried forward		-171'183'266	-168'639'598
Loss for the year		-1'293'940	-2'543'668
<b>Total shareholders' equity</b>	3.4	<b>1'193'575'287</b>	<b>1'194'869'227</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1'193'615'430</b>	<b>1'194'906'393</b>

## Income statement for the year ended December 31

	<u>Notes</u>	<u>2023</u> <u>CHF</u>	<u>2022</u> <u>CHF</u>
Revenue from delivery of services	3.5	496'017	490'653
Other operating income		143	3
<b>Total operating income</b>		<b>496'160</b>	<b>490'656</b>
Personnel expenses		-429'534	-424'425
Other operating expenses		-203'277	-193'999
<b>Operating result</b>		<b>-136'651</b>	<b>-127'768</b>
Financial income	3.1	2'558'562	433'440
Financial expenses		-	-5'483
Exchange differences		-3'689'570	-2'816'507
<b>Loss for the year before taxes</b>		<b>-1'267'659</b>	<b>-2'516'318</b>
Direct taxes		-26'281	-27'350
<b>Loss for the year</b>		<b>-1'293'940</b>	<b>-2'543'668</b>

## 1. Company information

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 on 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

These annual financial statements were prepared according to the principles of the Swiss Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. It should be noted that to ensure the company’s going concern, the company may create or release hidden reserves.

Some balance sheet and income statements’ items from the previous year have been reclassified for presentation purposes.

### 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 (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 income statement, except unrealized exchange gains which are deferred.

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

	2023	2022
1 EUR	0.93027574	0.98783604

## 3. Information on balance sheet and income statement items

### 3.1 Other short-term receivables

	<u>31.12.2023</u>	<u>31.12.2022</u>
	CHF	CHF
Loans to other group companies (in CHF)	50'900'000	50'300'000
Loans to other group companies (in EUR)	58'025'526	59'865'587
<b>Total</b>	<u>108'925'526</u>	<u>110'165'587</u>

The Company granted a loan to another group company for an amount of CHF 50'900'000 (2022 : CHF 50'300'000), on September 29, 2023, reaching maturity on September 30, 2024. 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 2023, a total of interest of CHF 767'329 was booked in the income statement (2022 : CHF 127'214).

The Company granted a loan to another group company for an amount of CHF 58'025'526 / EUR 62'374'545 (2022 : CHF 59'865'587 / EUR 60'602'756), on December 15, 2023, reaching maturity on December 13, 2024. 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 2023, a total of interest of CHF 1'791'233 / EUR 1'845'844 was booked in the income statement (2022 : CHF 306'226 / EUR 305'779).

## 3. Information on balance sheet and income statement items (continued)

<b>3.2</b>	<b>Prepaid expenses and accrued income</b>	<b><u>31.12.2023</u></b>	<b><u>31.12.2022</u></b>
		<b>CHF</b>	<b>CHF</b>
	From other group companies	281'561	46'970
	From third parties	6'446	4'233
	<b>Total</b>	<b><u>288'007</u></b>	<b><u>51'203</u></b>

<b>3.3</b>	<b>Investments</b>	<b>Share in voting and capital rights, in %</b>		<b>Value in CHF</b>	
		<b><u>31.12.2023</u></b>		<b><u>31.12.2023</u></b>	
	<b>Name of the Companies</b>	<b>Capital</b>	<b>Vote</b>	<b>Cost value</b>	<b>Book value</b>
	SIB Besaya, S.L. Unipersonal, Spain	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				-52'049'559
	<b>TOTAL</b>			<b><u>1'133'331'095</u></b>	<b><u>1'081'281'536</u></b>

		<b>Share in voting and capital rights, in %</b>		<b>Value in CHF</b>	
		<b><u>31.12.2022</u></b>		<b><u>31.12.2022</u></b>	
	<b>Name of the Companies</b>	<b>Capital</b>	<b>Vote</b>	<b>Cost value</b>	<b>Book value</b>
	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				-52'049'559
	<b>TOTAL</b>			<b><u>1'133'331'095</u></b>	<b><u>1'081'281'536</u></b>



### 3. Information on balance sheet and income statement items (continued)

#### 3.3 Investments (continued)

During the year 2023, SIB Limited, previously called Santander Investment Bank Limited, moved its headquarters from Bahamas to Spain and changed its name from SIB Limited to SIB Besaya, S.L., Unipersonal. The company has been registered on the Commercial register of Madrid on 20<sup>th</sup> September 2023.

During the year 2022, 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 15th December 2022. The reverse merger has been filed on 16th 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.

#### 3.4 Shareholders' equity

Description	Share capital	Legal reserve issued from earnings	Available earnings	Shareholders' equity
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	-	-	-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>
Balance as at 31.12.2022	1'215'000'000	151'052'493	-171'183'266	1'194'869'227
Result of the year 2023	-	-	-1'293'940	-1'293'940
<b>Balance as at 31.12.2023</b>	<b>1'215'000'000</b>	<b>151'052'493</b>	<b>-172'477'206</b>	<b>1'193'575'287</b>

#### 3.5 Revenue from delivery of services

	<u>2023</u>	<u>2022</u>
	CHF	CHF
To other group companies	496'017	490'653
<b>Total</b>	<b>496'017</b>	<b>490'653</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, did not exceed 10.

## 4.2 Pension plan

No liabilities in relation with pension plan were open at 31 December 2023 and 31 December 2022.

## 4.3 Residual amount of leasing obligations

	<u>31.12.2023</u>	<u>31.12.2022</u>
	CHF	CHF
Up to 1 year	39'059	39'059
1 - 5 years	35'804	74'863
<b>Total</b>	<u>74'863</u>	<u>113'922</u>

These amounts include payments related to rental contracts up to the end of their contract period, as applicable.

## 4.4 Available deductible tax losses

	<u>31.12.2023</u>	<u>31.12.2022</u>
	CHF	CHF
Expiration as at 31.12.2023	69'348'482	69'348'482
Expiration as at 31.12.2024	333'814	333'814
Expiration as at 31.12.2025	99'900'691	99'900'691
Expiration as at 31.12.2026	627'470	627'470
Expiration as at 31.12.2027	-	-
Expiration as at 31.12.2028	2'519'525	2'519'525
Expiration as at 31.12.2029	2'543'668	-
<b>Total</b>	<u>175'273'650</u>	<u>172'729'982</u>

4. Other information (continued)

4.5	Audit fees	<u>31.12.2023</u>	<u>31.12.2022</u>
		CHF	CHF
	Audit services (stand-alone financial statements)	19'200	19'170
	<b>Total</b>	<u>19'200</u>	<u>19'170</u>

4.6 Significant subsequent events

No events after the balance sheet date require disclosure.

Proposed carry forward of the accumulated losses

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

	<u>2023</u>	<u>2022</u>
	<u>CHF</u>	<u>CHF</u>
Accumulated losses carried forward at the beginning of the year	-171'183'266	-168'639'598
Loss for the year	-1'293'940	-2'543'668
<b>Accumulated losses to be carried forward</b>	<u><b>-172'477'206</b></u>	<u><b>-171'183'266</b></u>