

A N VIRTUAL WORLD TECH LTD

**Report and financial statements
31 December 2021**



C.A. Ktorides Limited

Certified Public Accountants and Registered Auditors

A N VIRTUAL WORLD TECH LTD

Report and financial statements 31 December 2021

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A N VIRTUAL WORLD TECH LTD

Board of Directors and other officers

Board of Directors

Maria Georgiou

Ashish Nanda

Sajid Siraj Malik (appointed on 27 October 2015)

Ganapathy Vishwanathan (appointed on 27 October 2015, resigned 30 March 2021)

Manish Kumar Sinha (appointed on 27 October 2015, resigned 30 November 2020)

Vineet Sehgal (appointed 30 November 2020, resigned November 2021)

Manish Chhaganlal Patel (appointed 30 March 2021)

Company Secretary

Eltoma (Cyprus) Limited

Registered Office

Georgiou Gennadiou, 10
Agathangelos Court, Flat/Office 403
3041, Limassol, Cyprus

Auditors

C.A.Ktorides Limited

Registered Number

HE 265043



C.A. Ktorides Limited

Chartered Certified Accountants

Directors: C.A. Ktorides FCCA - A.Ktorides ACA

Independent auditor's report

To the Members of A^N VIRTUAL WORLD TECH LTD

Report on the financial statements

Opinion

We have audited the financial statements of A N VIRTUAL WORLD TECH LTD (the "Company"), which are presented in pages 5 to 21 and comprise the statement of financial position as at 31 December 2021, 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 2021, 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' Code of Ethics for Professional Accountants (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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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 judgement 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.
- 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.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

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 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.



Christos A. Ktorides
Certified Public Accountant and Registered Auditor
for and on behalf of C.A.Ktorides Limited
Certified Public Accountants and Registered Auditors

Nicosia, 11 March 2022

A N VIRTUAL WORLD TECH LTD

Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 US\$	2020 US\$
Administrative expenses		<u>(2,251,312)</u>	<u>(2,261,920)</u>
Operating loss		(2,251,312)	(2,261,920)
Finance costs	5	<u>(10,500)</u>	<u>(10,457)</u>
Loss before income tax		(2,261,812)	(2,272,377)
Income tax expense		<u>-</u>	<u>-</u>
Loss for the year		<u>(2,261,812)</u>	<u>(2,272,377)</u>

The notes on pages 9 to 19 are an integral part of these financial statements.

A N VIRTUAL WORLD TECH LTD

Balance sheet at 31 December 2021

	Note	2021 US\$	2020 US\$
Assets			
Non-current assets			
Intangible assets	7	30,388,843	32,581,487
Investment in subsidiary	8	238,200	238,200
		<u>30,627,043</u>	<u>32,819,687</u>
Current assets			
Trade and other receivables	9	182,193	192,129
Cash and cash equivalents	10	6,288	2,632
		<u>188,481</u>	<u>194,761</u>
Total assets		<u>30,815,524</u>	<u>33,014,448</u>
Equity and liabilities			
Capital and reserves			
Share capital	11	2,617,455	2,617,455
Share premium	12	40,529,545	40,529,545
1.5% Optionally Convertible Debentures	13	700,000	700,000
Accumulated losses		(14,494,613)	(12,232,801)
Total equity		<u>29,352,387</u>	<u>31,614,199</u>
Current liabilities			
Trade and other payables	14	1,463,137	1,400,249
Total liabilities		<u>1,463,137</u>	<u>1,400,249</u>
Total equity and liabilities		<u>30,815,524</u>	<u>33,014,448</u>

On 11 March 2022 the Board of Directors of A N VIRTUAL WORLD TECH LTD authorised these financial statements for issue.



Maria Georgiou, Director

The notes on pages 9 to 19 are an integral part of these financial statements.

A N VIRTUAL WORLD TECH LTD

Statement of changes in equity for the year ended 31 December 2021

	Note	Share capital US\$	Share premium US\$	1.5 % Optionally Convertible Debentures US\$	Accumulated losses ⁽¹⁾ US\$	Total US\$
Balance at 1 January 2020		<u>2.617.455</u>	<u>40.529.545</u>	<u>700.000</u>	<u>(9.960.424)</u>	<u>33.886.576</u>
Comprehensive income						
Loss for the year		-	-	-	<u>(2.272.377)</u>	<u>(2.272.377)</u>
Balance at 31 December 2020/1 January 2021		<u>2.617.455</u>	<u>40.529.545</u>	<u>700.000</u>	<u>(12.232.801)</u>	<u>31.614.199</u>
Comprehensive income						
Loss for the year		-	-	-	<u>(2.261.812)</u>	<u>(2.261.812)</u>
Balance at 31 December 2021		<u>2.617.455</u>	<u>40.529.545</u>	<u>700.000</u>	<u>(14.494.613)</u>	<u>29.352.387</u>

- (1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009, and to 20% in respect of profits of years of assessment 2010 and 2011. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 9 to 19 are an integral part of these financial statements.

A N VIRTUAL WORLD TECH LTD

Statement of cash flows for the year ended 31 December 2021

	Note	2021 US\$	2020 US\$
Cash flows from operating activities			
Loss before income tax			
Adjustments for:		(2.261.812)	(2.272.377)
Amortisation of intangible assets	7	2.192.644	2.192.643
Interest charge	5	<u>10.500</u>	<u>10.457</u>
		(58.668)	(69.277)
Changes in working capital:			
Trade and other receivables		9.936	-
Trade and other payables		<u>62.888</u>	<u>79.725</u>
Net cash generated from operating activities		<u>14.156</u>	<u>10.448</u>
Cash flows from financing activities			
Interest charge		<u>(10.500)</u>	<u>(10.457)</u>
Net cash used in financing activities		<u>(10.500)</u>	<u>(10.457)</u>
Net increase/(decrease) in cash and cash equivalents		3.656	(9)
Cash and cash equivalents at beginning of year		<u>2.632</u>	<u>2.641</u>
Cash and cash equivalents at end of year	10	<u>6.288</u>	<u>2.632</u>

The notes on pages 9 to 19 are an integral part of these financial statements.

A N VIRTUAL WORLD TECH LTD

Notes to the financial statements

1 General information

Country of incorporation

The Company was incorporated and domiciled in Cyprus on 31 March 2010 as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Georgiou Gennadiou, 10, Old Town, P.C. 3041, Limassol, Cyprus.

Principal activities

The principal activities of the Company are mainly to create / build a location based application platform to generate income. The Company has also invested in a 100% subsidiary which will be engaged in the development of software applications.

Operating environment of the Company

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID 19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

The Company's Management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary. The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.

A N VIRTUAL WORLD TECH LTD

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated.

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 financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Going concern

In assessing the Company's status as a going concern the Directors considered the current intentions and financial position of the Company. Although the Company had a net loss for the year then ended, events which indicate that there is uncertainty which may cast doubt on the ability of the Company to generate revenue and continue as a going concern, the Directors have considered a letter of support obtained from the Company's shareholders.

Adoption of new and revised IFRSs

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 2021. This adoption did not have a material effect on the accounting policies of the Company.

Foreign currency translation

(i) 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 US dollars (US\$), which is the Company's functional and presentation currency.

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2 Summary of significant accounting policies (continued)

Intangible asset

Intangible asset arises on the purchase/upgradation of map database which started to generate revenue from 5th of October 2015. The Company will amortize the map database over its useful life. The useful life of the map database has been estimated by Company's Directors to be 20 years.

Database impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of database is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non current assets. The Company's loans and receivables comprise "loans to related party", "other receivables" and "cash and cash equivalents" in the balance sheet.

Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are derecognised when the rights to receive cash flows from the loans and receivables have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An allowance for loan impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. Significant financial difficulties of the borrower, probability that the borrower will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at effective interest rate. The amount of the provision is recognised in profit or loss.

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2 Summary of significant accounting policies (continued)

Investments in subsidiaries

Subsidiaries are those companies and other entities (including special purpose entities) in which the Company directly or indirectly, has an interest of more than one half of the voting rights, or otherwise has the power to govern the financial and operating policies so as to obtain economic benefits. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Company controls another entity.

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method.

Share capital

Ordinary shares and convertible preferred A and B Option shares are classified as equity.

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 does not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

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2 Summary of significant accounting policies (continued)

Trade payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if 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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include bank deposits.

3 Financial risk management

(i) Financial risk factors

The Company's activities expose it to credit risk and liquidity risk.

The Company does not have a formal risk management policy programme. Instead the susceptibility of the Company to financial risks such as credit risk and liquidity risk is monitored as part of its daily management of the business.

- **Credit risk**

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables, loan to Imagesec and committed transactions.

The Company monitors credit risk as part of its daily management and acts accordingly.

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months, with the exception of borrowings, equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year US\$
At 31 December 2020	
Trade and other payables	<u>1,400.249</u>
At 31 December 2021	
Trade and other payables	<u>1,463.137</u>

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3 Financial risk management (continued)

(ii) Fair value estimation

The carrying value of receivables and payables are assumed to approximate their fair values.

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 Finance costs

	2021	2020
	US\$	US\$
Interest on Optionally Convertible Debentures	<u>10,500</u>	<u>10,457</u>

6 Financial instruments by category

	Loans and receivables US\$
31 December 2020	
Assets as per balance sheet	
Receivables	192,129
Cash and cash equivalents	2,632
Total	<u>194,761</u>
	Other financial liabilities US\$
31 December 2020	
Liabilities as per balance sheet	
Trade and other payables	1,400,249
	Loans and receivables US\$
31 December 2021	
Assets as per balance sheet	
Receivables	182,193
Cash and cash equivalents	6,288
Total	<u>188,481</u>

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6 Financial instruments by category (continued)

	Other financial liabilities US\$
31 December 2021	
Liabilities as per balance sheet	
Trade and other payables	<u>1,463,137</u>

7 Intangible assets

	As-Geo Database US\$
At 1 January 2020	
Cost	43,852,872
Accumulated amortisation and impairment	<u>(9,078,742)</u>
Net book amount	<u>34,774,130</u>
Year ended 31 December 2020	
Opening net book amount	34,774,130
Amortisation charge	<u>(2,192,643)</u>
Closing net book amount	<u>32,581,487</u>
At 31 December 2020	
Cost	43,852,872
Accumulated amortisation and impairment	<u>(11,271,385)</u>
Net book amount	<u>32,581,487</u>
Year ended 31 December 2021	
Opening net book amount	32,581,487
Amortisation charge	<u>(2,192,644)</u>
Closing net book amount	<u>30,388,843</u>
At 31 December 2021	
Cost	43,852,872
Accumulated amortisation and impairment	<u>(13,464,029)</u>
Net book amount	<u>30,388,843</u>

Intangible asset arises on the purchase of map database which is used to generate revenue. The Company amortizes map database over the useful life of such database as estimated by the management of the Company.

8 Investments in subsidiaries

	2021 US\$	2020 US\$
At beginning of year	<u>238,200</u>	<u>238,200</u>
At end of year	<u>238,200</u>	<u>238,200</u>

The Company's interests in its subsidiary, which is unlisted, was as follows:

Name	Principal activity	Country of incorporation	2021 % holding	2020 % holding
Virtual World Spatial Technologies Private Limited	Developing application of software	India	100	100

On 5 October 2015 the Company acquired 10,000 ordinary shares of Virtual World Spatial Technologies Private Limited at 10 Rupees each .

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8 Investments in subsidiaries (continued)

On 9 November 2015 the Company acquired 237,190 ordinary shares of Virtual World Spatial Technologies Private Limited at 10 Rupees each .

On 4 July 2016 the Company acquired 1,343,580 shares of Virtual World Spatial Technologies Private Limited at 10 Rupees each.

9 Receivables

	2021 US\$	2020 US\$
Trade receivables	31,250	31,250
Receivables from related parties (Note 15(i))	<u>150,943</u>	<u>160,879</u>
	<u>182,193</u>	<u>192,129</u>

The fair values of trade and other receivables approximate their carrying amounts.

10 Cash and cash equivalents

	2021 US\$	2020 US\$
Cash at bank	<u>6,288</u>	<u>2,632</u>

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2021 US\$	2020 US\$
Cash and cash equivalents	<u>6,288</u>	<u>2,632</u>

Cash and cash equivalents are denominated in the following currencies:

	2021 US\$	2020 US\$
Emirati Dirham	<u>6,288</u>	<u>2,632</u>

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11 Share capital

	2021			2020		
	Number of shares	€	US\$	Number of shares	€	US\$
Authorised						
Ordinary shares of €1 each	1 668 700	1.668.700		1 668 700	1.668.700	
Series A convertible preferred option shares of €10 each	14 496	144.960		14 496	144.960	
Series B convertible preferred option shares of €10 each	17 834	178.340		17 834	178.340	
Ordinary shares of €1 each	<u>158 000</u>	<u>158.000</u>		<u>158 000</u>	<u>158.000</u>	
Shares of €1 each	<u>1 859 030</u>	<u>2.150.000</u>		<u>1 859 030</u>	<u>2.150.000</u>	
Issued and fully paid						
Ordinary shares of €1 each	1 485 183	1.485.183	1.879.412	1 485 183	1.485.183	1.879.412
Conversion of Optionally Convertible Debentures into ordinary shares of €1 each.	258 335	258.335	317.804	258 335	258.335	317.804
Converted Series A preferred option shares/ Series A convertible preferred option shares of €10 each	14 496	144.960	189.010	14 496	144.960	189.010
Converted Series B preferred option shares/Series B convertible preferred option shares of €10 each	17 834	178.340	231.229	17 834	178.340	231.229
	<u>1 775 848</u>	<u>2.066.818</u>	<u>2.617.455</u>	<u>1 775 848</u>	<u>2.066.818</u>	<u>2.617.455</u>

Additional to the 1.346.585 shares, the company on 30 March 2018 issued 48.078 ordinary shares at €1 each.

On 30 March 2018 the company converted 14.496 Series A Convertible Preferred Option shares to 144.960 ordinary shares of nominal value €1,00, equivalent to \$189.010.

On 30 March 2018 the company converted 17.834 Series B Convertible Preferred Option shares to 178.340 ordinary shares of nominal value €1,00, equivalent to \$231.229.

12 Share premium

The share premium amounting to US\$34.483.542 by 31 December 2017 as shown on the face of the balance sheet, page 8, is made up by US\$23.436.178 for the issue in 2012 of 1.207.588 ordinary shares, by US\$6.303.762 for the purchase of treasury shares in 2013, by US\$2.846.395 for the issue on 27 October 2015 of 138.997 ordinary shares of €1 each and by increase of US\$1.897.207 in 2016.

On 30 March 2018 the company has converted the 258.335 Optionally Convertible Debentures into equal amount of ordinary shares of nominal value €1, equivalent to \$317.804. Since the Optionally Convertible Debentures were bought €19 each, the remaining €18 were transferred to the share premium account, equivalent to \$5.044.196.

On 30 March 2018 the company converted 14.496 Series A Convertible Preferred Option shares to 144.960 ordinary shares of nominal value €1,00, equivalent to \$189.010 and on the same date the company converted 17.834 Series B Convertible Preferred Option shares to 178.340 ordinary shares of nominal value €1,00, equivalent to \$231.229. The Optionally Convertible Preference Shares premium which amounted to \$6.303.76, was therefore transferred to share premium account.

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13 1.5 % Optionally Convertible Debentures

The Company on 9 May 2016 issued 258.335 Optionally Convertible Debentures at €19,00 each, which bear interest at the rate of 1.5% per annum quarterly until conversion or redemption. The owner of the debentures has the right, within a period of five years from the date of allotment to convert, at a conversion rate of €1 one equity share for each Optionally Convertible debenture. On 30 March 2018 the company has converted the 258.335 Optionally Convertible Debentures into equal amount of ordinary shares of nominal value €1, equivalent to \$317.804.

On 30 March 2018, Genesys International Corporation Limited, a major shareholder of the Company has been allotted 31.720 Optionally Convertible Debentures of €17,93 each, for a total consideration of USD700.000 (Euro 568.620).

14 Trade and other payables

	2021 US\$	2020 US\$
Trade payables		
Payables to directors (Note 15(i))	798.252	798.252
Accrued expenses	61.349	38.389
	<u>603.536</u>	<u>563.608</u>
	<u>1.463.137</u>	<u>1.400.249</u>

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date. The amount amount of €798.252 is payable to Genesys International.

15 Related party transactions

The following transactions were carried out with related parties:

(i) Year-end balances

	2021 US\$	2020 US\$
Receivable from related parties (Note 9):		
Loan to related company	<u>150.943</u>	<u>160.879</u>

The above balances bear no interest and are collectible/repayable upon demand.

Payables to related parties (Note 14):		
Directors' current account	<u>61.349</u>	<u>38.389</u>

16 Contingencies

There are no contingent liabilities at the balance sheet date.

17 Commitments

There are no capital commitments at the balance sheet date.

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18 Events after the balance sheet date

With the recent and rapid development of the Coronavirus disease (COVID 19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including the Republic of Cyprus, have implemented restrictions on travelling as well as strict quarantine measures. The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

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 2021. Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. .

Independent auditor's report on pages 2 to 4.

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Additional information to the statement of comprehensive income

Analysis of expenses for the year ended 31 December 2021

	2021 US\$	2020 US\$
Administrative expenses		
Amortisation of intangibles		
Auditors' remuneration		
Consultancy fees	2.192.644	2.192.643
Interest expenses	4.496	4.496
Project expenses	2.983	13.542
	189	239
	<u>51.000</u>	<u>51.000</u>
	<u><u>2.251.312</u></u>	<u><u>2.261.920</u></u>