

GRINCO HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 December 2018

GRINCO HOLDINGS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2018

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GRINCO HOLDINGS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Dimitrios Tarnaras
Konstantinos Loulis
Nikolaos Loulis
Constantinos Constantinides
Antonios Vontitsianos
Georgios Theodorou
Nikolaos Fotopoulos
Christina Christodoulides
Myrto Avraam

Company Secretary:

Ask Secretarial Services Ltd

Independent Auditors:

Baker Tilly Klitou and Partners Ltd
Certified Public Accountant and Registered Auditor
Corner C Hatzopoulou & 30 Griva Digheni Avenue
1066 Nicosia
Cyprus

Registered office:

11 Boumpoulinas street
3rd floor
1060 Nicosia
Cyprus

Bankers:

Bank of Cyprus Public Company Ltd

Registration number:

HE333917

Independent Auditor's Report

To the Members of Grinco Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Grinco Holdings Limited (the "Company"), which are presented in pages 4 to 12 and comprise the statement of financial position as at 31 December 2018, and the statements of 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 2018, 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 audit 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.

Independent Auditor's Report (continued)

To the Members of Grinco Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with ISAs, 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.
- 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.

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.

Andreas Pittakas
Certified Public Accountant and Registered Auditor
for and on behalf of

Baker Tilly Klitou and Partners Ltd
Certified Public Accountant and Registered Auditor

Corner C Hatzopoulou & 30 Griva Digheni Avenue
1066 Nicosia
Cyprus

Nicosia, 6 March 2019

GRINCO HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2018

| | Note | 2018 € | 2017 € |
|--|------|----------------|-----------|
| Administration expenses | 4 | (8.961) | (6.998) |
| Other expenses | 5 | (350) | (350) |
| Operating loss | | (9.311) | (7.348) |
| Finance costs | 6 | (672) | (696) |
| Loss before tax | | (9.983) | (8.044) |
| Tax | 7 | - | - |
| Net loss for the year | | (9.983) | (8.044) |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | (9.983) | (8.044) |

The notes on pages 8 to 12 form an integral part of these financial statements.

GRINCO HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2018

| | Note | 2018 € | 2017 € |
|-------------------------------------|------|----------------------|------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash at bank | 8 | <u>56.250</u> | 60.726 |
| Total assets | | <u>56.250</u> | <u>60.726</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 9 | 1.600 | 1.600 |
| Share premium | | 168.400 | 168.400 |
| Accumulated losses | | <u>(120.450)</u> | <u>(110.467)</u> |
| Total equity | | <u>49.550</u> | <u>59.533</u> |
| Current liabilities | | | |
| Payables | 10 | <u>6.700</u> | 1.193 |
| Total liabilities | | <u>6.700</u> | <u>1.193</u> |
| Total equity and liabilities | | <u>56.250</u> | <u>60.726</u> |

On 2019 the Board of Directors of Grinco Holdings Limited authorised these financial statements for issue.

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Constantinos Constantinides
Director

The notes on pages 8 to 12 form an integral part of these financial statements.

GRINCO HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

| | Share capital € | Share premium € | Accumulated losses € | Total € |
|--|-----------------------|-----------------------|----------------------------|---------------|
| Balance at 1 January 2017 | 1.600 | 168.400 | (102.423) | 67.577 |
| Total comprehensive income for the year | - | - | (8.044) | (8.044) |
| Balance at 31 December 2017/ 1 January 2018 | 1.600 | 168.400 | (110.467) | 59.533 |
| Total comprehensive income for the year | - | - | (9.983) | (9.983) |
| Balance at 31 December 2018 | 1.600 | 168.400 | (120.450) | 49.550 |

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax 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 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 notes on pages 8 to 12 form an integral part of these financial statements.

GRINCO HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

| | Note | 2018 € | 2017 € |
|---|------|----------------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Loss before tax | | (9.983) | (8.044) |
| | | (9.983) | (8.044) |
| Changes in working capital: | | | |
| Increase in payables | | 5.507 | 673 |
| Cash used in operations | | (4.476) | (7.371) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | - | - |
| Net decrease in cash and cash equivalents | | (4.476) | (7.371) |
| Cash and cash equivalents at beginning of the year | | 60.726 | 68.097 |
| Cash and cash equivalents at end of the year | 8 | 56.250 | 60.726 |

The notes on pages 8 to 12 form an integral part of these financial statements.

GRINCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. Incorporation and principal activities

Country of incorporation

The Company Grinco Holdings Limited (the "Company") was incorporated in Cyprus on 10 July 2014 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 11 Boumpoulinas street, 3rd floor, 1060 Nicosia, Cyprus.

Principal activities

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

2. 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.

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.

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.

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 2018. This adoption did not have a material effect on the accounting policies of the Company.

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. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

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

Foreign currency translation

(1) 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 Euro (€), which is the Company's functional and presentation currency.

GRINCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2. Significant accounting policies (continued)

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Receivables

Receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

Payables

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

GRINCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors

The Company is exposed to 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:

3.1 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.

GRINCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

3. Financial risk management (continued)

3.2 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

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

4. Administration expenses

| | 2018 | 2017 |
|---------------------------------------|--------------|--------------|
| | € | € |
| Auditors' remuneration - current year | 1.416 | 1.012 |
| Auditors' remuneration - prior years | 405 | - |
| Accounting fees | 3.094 | 2.083 |
| Other professional fees | 4.046 | 3.903 |
| | <u>8.961</u> | <u>6.998</u> |

5. Other expenses

| | 2018 | 2017 |
|------------------------------------|------------|------------|
| | € | € |
| Registrar of Companies Annual levy | 350 | 350 |
| | <u>350</u> | <u>350</u> |

6. Finance costs

| | 2018 | 2017 |
|-------------------------|------------|------------|
| | € | € |
| Sundry finance expenses | 672 | 696 |
| Finance costs | <u>672</u> | <u>696</u> |

7. Tax

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

| | 2018 | 2017 |
|--|----------------|----------------|
| | € | € |
| Loss before tax | <u>(9.983)</u> | <u>(8.044)</u> |
| Tax calculated at the applicable tax rates | (1.248) | (1.006) |
| Tax effect of expenses not deductible for tax purposes | 44 | 131 |
| Tax effect of tax loss for the year | <u>1.204</u> | <u>875</u> |
| Tax charge | <u>-</u> | <u>-</u> |

The corporation tax rate is 12,5%.

GRINCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

7. Tax (continued)

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 year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

8. Cash at bank

Cash balances are analysed as follows:

| | 2018 | 2017 |
|--------------|----------------------|----------------------|
| | € | € |
| Cash at bank | <u>56.250</u> | 60.726 |
| | <u><u>56.250</u></u> | <u><u>60.726</u></u> |

9. Share capital

| | 2018 | 2018 | 2017 | 2017 |
|-------------------------------|---------------------|---------------------|--------------|--------------|
| | Number of | € | Number of | € |
| | shares | | shares | |
| Authorised | | | | |
| Ordinary shares of €1 each | <u>10.000</u> | <u>10.000</u> | 10.000 | 10.000 |
| | | € | | € |
| Issued and fully paid | | | | |
| Balance at 1 January | <u>1.600</u> | <u>1.600</u> | 1.600 | 1.600 |
| Balance at 31 December | <u><u>1.600</u></u> | <u><u>1.600</u></u> | <u>1.600</u> | <u>1.600</u> |

10. Payables

| | 2018 | 2017 |
|-----------------|---------------------|---------------------|
| | € | € |
| Accruals | 6.339 | 1.193 |
| Other creditors | <u>361</u> | - |
| | <u><u>6.700</u></u> | <u><u>1.193</u></u> |

The fair values of payables due within one year approximate to their carrying amounts as presented above.

11. Related party transactions

The Company is controlled by Loullis Mills S.A ,incorporated in Greece, which owns 100% of the Company's shares.

12. Events after the reporting period

There were no 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 3

GRINCO HOLDINGS LIMITED

COMPUTATION OF CORPORATION TAX

For the year ended 31 December 2018

| | | | |
|---|------|------------|------------------------------|
| Net loss per income statement | Page | € | € |
| | 4 | | (9.983) |
| <u>Add:</u> Registrar of Companies Annual levy | | <u>350</u> | <u>350</u> |
| Net loss for the year | | | <u><u>(9.633)</u></u> |

CALCULATION OF TAX LOSSES FOR THE FIVE YEAR PERIOD

| Tax year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------------------|------|---------|---------|---------|---------|---------|
| | € | € | € | € | € | € |
| Profits/(losses) for the tax year | - | (4.926) | (3.860) | (5.579) | (6.998) | (9.633) |
| Gains Offset (€) | - | - | - | - | - | - |
| - Year | | | | | | |
| Gains Offset (€) | - | - | - | - | - | - |
| - Year | | | | | | |
| Gains Offset (€) | - | - | - | - | - | - |
| - Year | | | | | | |
| Gains Offset (€) | - | - | - | - | - | - |
| - Year | | | | | | |
| Gains Offset (€) | - | - | - | - | - | - |
| - Year | | | | | | |

Net loss carried forward (30.996)