

**KERVERUS HOLDING IT (CY) PLC**

INTERIM UNAUDITED FINANCIAL  
STATEMENTS

Period from 1 January 2014 to 30 June 2014

# **KERVERUS HOLDING IT (CY) PLC**

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## **INTERIM UNAUDITED FINANCIAL STATEMENTS**

Period from 1 January 2014 to 30 June 2014

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# KERVERUS HOLDING IT (CY) PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

M.Flett Financial Consultants Ltd  
Maria Christodoulou  
Christos Kaliptsidis

**Company Secretary:**

M.Flett Financial Consultants Ltd

**Independent Auditors:**

L.Gnaftis & Co. Ltd  
Certified Public Accountants  
Anexartiasias & Athinon  
Nora Court, 2nd floor  
3040 Limassol  
Cyprus

**Registered office:**

Anexartiasias & Athinon, Nora Court, 2nd floor  
Limassol  
3040  
Cyprus

**Registration number:**

HE220870

# KERVERUS HOLDING IT (CY) PLC

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and unaudited financial statements of the Company for the period from 1 January 2014 to 30 Iouviou 2014.

### **Incorporation**

The Company KERVERUS HOLDING IT (CY) PLC was incorporated in Cyprus on 28 January 2008 as a private limited liability company under the Cyprus Companies Law, Cap. 113.

### **Principal activity**

The principal activity of the Company, which is unchanged from last year, is the investment in shares of other companies involved with the development of application software and the sale of this software through internet.

### **Change of Company name**

On 09 April 2014, the Company changed its name from LOULISE TRADING LTD to KERVERUS HOLDING IT (CY) PLC.

### **Review of current position, future developments and significant risks**

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 4 and 14 of the financial statements.

### **Results**

The Company's results for the period are set out on page 4.

### **Dividends**

The Company in General Meeting declared the payment of a final dividend of €18.100 (2013: €NIL).

### **Share capital**

#### **Authorised capital**

On 20 June 2014 the authorised share capital of the Company was increased by 1.100.000 shares of EUR 1 each.

### **Implementation and compliance to the Code of Corporate Governance**

As a company listed on the Cyprus Stock Exchange (CSE), KERVERUS HOLDING IT (CY) PLC has not yet adopted CSE's Corporate Governance Code as this is not compulsory by the CSE's New Market. However, the Company is planning to adopt and apply the CSE's Corporate Governance Code.

### **Board of Directors**

The members of the Company's Board of Directors as at 30 Iouviou 2014 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2014 to 30 Iouviou 2014.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

# KERVERUS HOLDING IT (CY) PLC

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## REPORT OF THE BOARD OF DIRECTORS

### **Independent Auditors**

The Independent Auditors, L.Gnaftis & Co. Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

M.Flett Financial Consultants Ltd  
Secretary

Limassol, 29 August 2014

# KERVERUS HOLDING IT (CY) PLC

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2014 to 30 June 2014

	Note	30 June 2014 €	30 June 2013 €
Other expenses		<u>(15.314)</u>	(4.129)
<b>Operating loss</b>		<b>(15.314)</b>	(4.129)
Finance costs	7	<u>(7)</u>	(19)
<b>Loss before tax</b>		<b>(15.321)</b>	(4.148)
Tax	8	<u>-</u>	-
<b>Net loss for the period/year</b>		<b>(15.321)</b>	(4.148)
<b>Other comprehensive income</b>		<u>-</u>	-
<b>Total comprehensive income for the period/year</b>		<b><u>(15.321)</u></b>	<b>(4.148)</b>

The notes on pages 8 to 16 form an integral part of these financial statements.

# KERVERUS HOLDING IT (CY) PLC

## STATEMENT OF FINANCIAL POSITION

30 Iouviou 2014

	Note	Unaudited 30 June 2014 €	Audited 31 December 2013 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	10	<u>1.700.000</u>	<u>1.700.000</u>
		<b>1.700.000</b>	<b>1.700.000</b>
<b>Current assets</b>			
Receivables	11	<b>4.626</b>	4.127
Receivables from own subsidiaries	16	<b>194.673</b>	204.198
Cash at bank and in hand		<u>5.731</u>	<u>29.110</u>
		<b>205.030</b>	<b>237.435</b>
<b>Total assets</b>		<b><u>1.905.030</u></b>	<b><u>1.937.435</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	<b>1.810.000</b>	1.810.000
Retained earnings		<u>86.237</u>	<u>119.658</u>
<b>Total equity</b>		<b><u>1.896.237</u></b>	<b><u>1.929.658</u></b>
<b>Current liabilities</b>			
Trade and other payables	13	<b>1.599</b>	2.150
Directors' current accounts - credit balances	16	<u>7.194</u>	<u>5.627</u>
		<b>8.793</b>	<b>7.777</b>
<b>Total equity and liabilities</b>		<b><u>1.905.030</u></b>	<b><u>1.937.435</u></b>

On 29 August 2014 the Board of Directors of KERVERUS HOLDING IT (CY) PLC authorised these financial statements for issue.

.....  
M.Flett Financial Consultants Ltd  
Director

.....  
Maria Christodoulou  
Director

The notes on pages 8 to 16 form an integral part of these financial statements.

# KERVERUS HOLDING IT (CY) PLC

## STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2014 to 30 June 2014

	Note	Share capital €	Retained earnings €	Total €
<b>Balance at 1 January 2013</b>		<u>1.000</u>	<u>39.296</u>	<u>40.296</u>
<b>Comprehensive income</b>				
Net loss for the year		-	80.362	80.362
<b>Other movements</b>				
<b>Balance at 31 December 2013</b>		<u>1.000</u>	<u>119.658</u>	<u>120.658</u>
<b>Balance at 1 January 2014</b>		<b>1.810.000</b>	<b>119.658</b>	<b>1.929.658</b>
<b>Comprehensive income</b>				
Net loss for the period		-	(15.321)	(15.321)
<b>Transactions with owners</b>				
Dividends	9	-	(18.100)	(18.100)
<b>Balance at 30 Iouviou 2014</b>		<u><b>1.810.000</b></u>	<u><b>86.237</b></u>	<u><b>1.896.237</b></u>

The notes on pages 8 to 16 form an integral part of these financial statements.



# KERVERUS HOLDING IT (CY) PLC

## CASH FLOW STATEMENT

Period from 1 January 2014 to 30 June 2014

	<b>30 June 2014</b>	30 June 2013
	€	€
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>	<u>(15.321)</u>	<u>(4.148)</u>
<b>Cash flows used in operations before working capital changes</b>	<b>(15.321)</b>	(4.148)
Increase in receivables	<b>(499)</b>	(921)
Decrease in receivables from fellow subsidiaries	-	7.003
Decrease/(increase) in receivables from own subsidiaries	<b>9.525</b>	(80.737)
Increase in directors' current accounts	<b>1.567</b>	(30.642)
Decrease in deferred expenses	-	1.100
(Decrease)/increase in trade and other payables	<b>(551)</b>	650
<b>Cash flows used in operations</b>	<u><b>(5.279)</b></u>	<u>(107.695)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	<u><b>(18.100)</b></u>	-
<b>Net cash flows used in financing activities</b>	<u><b>(18.100)</b></u>	-
<b>Net decrease in cash and cash equivalents</b>	<b>(23.379)</b>	(107.695)
Cash and cash equivalents:		
At beginning of the period/year	<u><b>29.110</b></u>	<u>136.805</u>
<b>At end of the period/year</b>	<u><b>5.731</b></u>	<u>29.110</u>

The notes on pages 8 to 16 form an integral part of these financial statements.

# KERVERUS HOLDING IT (CY) PLC

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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2014 to 30 June 2014

### 1. Incorporation and principal activities

#### Country of incorporation

The Company KERVERUS HOLDING IT (CY) PLC (the "Company") was incorporated in Cyprus on 28 January 2008 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at Anexartisias & Athinon, Nora Court, 2nd floor, Limassol, 3040, Cyprus.

#### Change of Company name

On 09 April 2014, the Company changed its name from LOULISE TRADING LTD to KERVERUS HOLDING IT (CY) PLC.

### 2. Unaudited financial statements

The condensed interim financial statements for the six months ended on 30 June 2013 and 2014 respectively, have not been audited by the external auditors of the Company.

#### Principal activity

The principal activity of the Company, which is unchanged from last year, is the investment in shares of other companies involved with the development of application software and the sale of this software through internet.

### 3. 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 Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

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 Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from Anexartisias & Athinon, Nora Court, 2nd floor Office 203, 3040 Limassol, Cyprus.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the period from 1 January 2014 to 30 Iouviou 2014 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group

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 period 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 2014. This adoption did not have a material effect on the accounting policies of the Company.

# KERVERUS HOLDING IT (CY) PLC

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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2014 to 30 June 2014

### 3. Accounting policies (continued)

#### Adoption of new and revised IFRSs (continued)

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.

#### Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. Οι ενοποιημένες οικονομικές καταστάσεις του Συγκροτήματος περιλαμβάνουν τις οικονομικές καταστάσεις της μητρικής εταιρείας KERVERUS HOLDING IT (CY) PLC και των ακολούθων θυγατρικών της KERVERUS IT (CY) LTD.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

#### Subsidiary companies

Subsidiaries are entities controlled by the Group. Control exists where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost.

#### Finance costs

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

#### 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.

#### Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

# KERVERUS HOLDING IT (CY) PLC

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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2014 to 30 June 2014

### 3. 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.

#### 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.

### 4. Financial risk management

#### Financial risk factors

The Company is exposed to interest rate risk, credit risk, 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:

##### 4.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

##### 4.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

# KERVERUS HOLDING IT (CY) PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2014 to 30 June 2014

### 4. Financial risk management (continued)

#### 4.3 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.

#### 4.4 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.

### 5. Critical accounting estimates and judgments

Estimates and judgments 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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The 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 are discussed below:

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

### 6. Administration and other expenses

	<b>30 June 2014</b>	30 June 2013
	€	€
Capital issue costs	<b>7.260</b>	-
Subscriptions and contributions	<b>533</b>	-
Computer software	<b>1.726</b>	-
Other professional fees	<b>2.649</b>	2.230
Cyprus Stock Exchange expenses	<b>3.146</b>	1.854
Sundry expenses	-	45
	<b><u>15.314</u></b>	<u>4.129</u>

### 7. Finance costs

	<b>30 June 2014</b>	30 June 2013
	€	€
Sundry finance expenses	<b><u>7</u></b>	<u>19</u>
	<b><u>7</u></b>	<u>19</u>

# KERVERUS HOLDING IT (CY) PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2014 to 30 June 2014

### 8. Tax

The corporation tax rate is 12,5% (2012:10%).

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2012:15%). 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 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

Due to tax losses sustained in the period, 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. As at 30 Iouviou 2014, the balance of tax losses which is available for offset against future taxable profits amounts to €4.148 for which no deferred asset is recognised in the statement of financial position.

### 9. Dividends

	<b>30 June 2014</b>	30 June 2013
	€	€
Final dividend paid	<b>18.100</b>	-
	<b>18.100</b>	-

The Company in General Meeting declared the payment of a final dividend of €18.100 (2013: €NIL).

Dividends are subject to a deduction of special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter for individual shareholders that are residents of Cyprus.

### 10. Investments in subsidiaries

	<b>2014</b>	2013
	€	€
Balance at 1 January	<b>1.700.000</b>	1.700.000
<b>Balance at 30 Iouviou /31 December</b>	<b>1.700.000</b>	1.700.000

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<b>Unaudited 30</b>	Audited 31
			<b>June 2014</b>	December
			€	2013
			<b>100</b>	€
KERVERUS IT (CY) LTD	Cyprus	Development of application software and the sale of use of this software through internet	<b>1.700.000</b>	1.700.000
			<b>1.700.000</b>	1.700.000

### 11. Receivables

	<b>Unaudited 30</b>	Audited 31
	<b>June 2014</b>	December
	€	2013
	€	€
Deposits and prepayments	<b>2.000</b>	2.000
Refundable VAT	<b>2.626</b>	2.127
	<b>4.626</b>	4.127

# KERVERUS HOLDING IT (CY) PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2014 to 30 June 2014

### 11. Receivables (continued)

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 4 of the financial statements.

### 12. Share capital

	2014 Number of shares	2014 €	2013 Number of shares	2013 €
<b>Authorised</b>				
Ordinary shares of €1 each	<u>2.910.000</u>	<u>2.910.000</u>	1.810.000	-
<b>Issued and fully paid</b>				
Balance at 1 January	<u>1.810.000</u>	<u>1.810.000</u>	1.810.000	1.810.000
<b>Balance at 30 Iouviou /31 December</b>	<u>1.810.000</u>	<u>1.810.000</u>	1.810.000	1.810.000

#### Authorised capital

On 20 June 2014 the authorised share capital of the Company was increased by 1.100.000 shares of EUR 1 each.

### 13. Trade and other payables

	Unaudited 30 June 2014 €	Audited 31 December 2013 €
Accruals	<u>1.599</u>	2.150
	<u>1.599</u>	2.150

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

### 14. Operating Environment of the Company

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in". During 2013 the Cyprus economy contracted further with a decrease in the Gross Domestic Product.

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

# KERVERUS HOLDING IT (CY) PLC

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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2014 to 30 June 2014

### 14. Operating Environment of the Company (continued)

The uncertain economic conditions in Cyprus, the unavailability of financing, the restructuring of the banking sector through "bail in" for Laiki Bank and Bank of Cyprus, and the imposition of capital controls together with the current situation of the banking system and the continuing overall economic recession, could affect:

- The ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions
- The ability of the Company's trade and other debtors to repay the amounts due to the Company
- The ability of the Company to enter into contracts for the development of new property units
- The cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets

The economic conditions disclosed above together with the impact of the results of the Eurogroup decision of 25 March 2013 for Cyprus may have an adverse impact on the Company's debtors (inability to meet their obligations towards the Company), suppliers (inability to continue trading), valuation of real estate, bankers (inability to provide adequate finance), revenue (decreased demand for the Company's products or services due to decreased purchasing power by consumers).

The Company's management has assessed:

- (1) Whether any impairment provisions are deemed necessary for the Company's financial assets carried at amortised cost by considering the economic situation and outlook at the end of the reporting period. Provisions for trade receivables are determined using the incurred loss model required by the applicable accounting standards. These standards require recognition of impairment losses for receivables that arose from past events and prohibit recognition of impairment losses that could arise from future events, no matter how likely those future events are.

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 development of its business in the current business and economic environment.

### 15. General events

The negotiations of the Cyprus Government with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), in order to obtain financial support, resulted in an agreement and decision of the Eurogroup on 25 March 2013 on the key elements necessary for a future macroeconomic adjustment programme which includes the provision of financial assistance to the Republic of Cyprus of up to €10 billion. The programme aims to address the exceptional economic challenges that Cyprus is facing, and to restore the viability of the financial sector, with a view to restoring sustainable economic growth and sound public finances in the coming years.

The Eurogroup decision on Cyprus includes plans for the restructuring of the financial sector and safeguards deposits below €100.000 in accordance with European Union legislation. In addition, the Cypriot authorities have reaffirmed their commitment to step up efforts in the areas of fiscal consolidation, structural reforms and privatizations.

On 12 April 2013 the Eurogroup welcomed the agreement that was reached between Cyprus and the Troika institutions regarding the macroeconomic adjustment programme for Cyprus. Subsequently all the necessary procedures for the formal approval of the Board of Directors of the European Stability Mechanism were completed, as well as the ratification by Eurozone member states. Following the completion of the above procedures, the first tranche of the financing of the Republic of Cyprus was released in line with the provisions of the Memorandum.



# KERVERUS HOLDING IT (CY) PLC

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2014 to 30 June 2014

### 15. General events (continued)

On 22 March 2013 legislation was enacted by the House of Representatives concerning restrictive measures in respect of transactions executed through the banking institutions operating in Cyprus. The extent and duration of the restrictive measures are decided by the Minister of Finance and the Governor of the Central Bank of Cyprus and were enforced on 28 March 2013. The temporary restrictive measures, with respect to banking and cash transactions include restrictions on cash withdrawals, the cashing of cheques and transfers of funds to other credit institutions in Cyprus and abroad. They also provide for the compulsory partial renewal of certain maturing deposits.

On 29 March 2013 the Central Bank of Cyprus issued decrees relating to Laiki Bank and Bank of Cyprus, implementing measures for these two banks under the Resolution of Credit and Other Institutions Law of 2013.

On the basis of the relevant decrees, Laiki Bank was placed into resolution. What remained in Laiki Bank were mainly the uninsured deposits and assets outside Cyprus. The assets of Laiki Bank in Cyprus, the insured deposits and the Eurosystem financing have been transferred to Bank of Cyprus, with compensation for the value of the net assets transferred, the issue of shares by Bank of Cyprus to Laiki Bank.

The recapitalization process for the Bank of Cyprus was completed in accordance with the relevant decrees of the Resolution Authority through "bail-in", that is through the partial conversion of uninsured deposits into shares. In addition, the holders of shares and debt instruments in Bank of Cyprus on 29 March 2013 have contributed to the recapitalization of Bank of Cyprus through the absorption of losses.

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

### 16. Related party transactions

The following transactions were carried out with related parties:

#### 16.1 Receivables from related parties

<u>Name</u>	<b>Unaudited 30 June 2014</b>	Audited 31 December 2013
	€	€
KERVERUS IT (CY) LTD	<b>194.673</b>	204.198
	<b>194.673</b>	204.198

#### 16.2 Directors' current accounts - credit balances

	<b>Unaudited 30 June 2014</b>	Audited 31 December 2013
	€	€
Christos Kalipsidis	<b>7.194</b>	5.627
	<b>7.194</b>	5.627

The directors' current accounts are interest free, and have no specified repayment date.

# KERVERUS HOLDING IT (CY) PLC

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## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2014 to 30 June 2014

### 17. Participation of directors in the company's share capital

The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors (in accordance with Article (4) (b) of the Directive DI 190-2007-04), as at 30 Iouviou 2014 and 27 Maiou 2013 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	<b>30 Iouviou 2014</b>	<b>27 Maiou 2013</b>
	<b>%</b>	<b>%</b>
Christos Kalipsidis	65	65

### 18. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 30 Iouviou 2014 and 27 Maiou 2013 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	<b>30 Iouviou 2014</b>	<b>27 Maiou 2013</b>
	<b>%</b>	<b>%</b>
Politimi Roidi	18	18
VIDAVO HEALTH TELEMATICS A.E.	6	6

### 19. Significant agreements with management

At the end of the year, no significant agreements existed between the Company and its management.

### 20. Contingent liabilities

The Company had no contingent liabilities as at 30 Iouviou 2014.

### 21. Commitments

The Company had no capital or other commitments as at 30 Iouviou 2014.

### 22. 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.

# KERVERUS HOLDING IT (CY) PLC

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## DETAILED INCOME STATEMENT

Period from 1 January 2014 to 30 June 2014

	Page	<b>30 June 2014</b> €	30 June 2013 €
<b>Revenue</b>			
Other operating expenses	18	<b>(8.054)</b>	(4.129)
Capital issue costs		<b>(7.260)</b>	-
<b>Operating loss</b>		<b>(15.314)</b>	(4.129)
Finance costs	19	<b>(7)</b>	(19)
<b>Net loss for the period/year before tax</b>		<b>(15.321)</b>	(4.148)

## KERVERUS HOLDING IT (CY) PLC

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### OPERATING EXPENSES

Period from 1 January 2014 to 30 June 2014

	<b>30 June 2014</b>	30 June 2013
	€	€
<b>Other operating expenses</b>		
Sundry expenses	-	45
Subscriptions and contributions	<b>533</b>	-
Computer software	<b>1.726</b>	-
Other professional fees	<b>2.649</b>	2.230
Cyprus Stock Exchange expenses	<b>3.146</b>	1.854
	<b>8.054</b>	4.129

# KERVERUS HOLDING IT (CY) PLC

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## FINANCE COSTS

Period from 1 January 2014 to 30 June 2014

	<b>30 June 2014</b>	30 June 2013
	€	€
<b>Finance costs</b>		
<b>Sundry finance expenses</b>		
Bank charges	<u>7</u>	<u>19</u>
	<u><b>7</b></u>	<u><b>19</b></u>