

Registre de Commerce et des Sociétés

Numéro RCS : B123449

Référence de dépôt : L210275330

Déposé et enregistré le 27/12/2021

POVEHQX20211223T14044101_001

RCSL Nr. : B123449

Matricule : 2006 2237 571

eCDF entry date : 23/12/2021

ABRIDGED BALANCE SHEET**Financial year from** ⁰¹ 01/01/2020 **to** ⁰² 31/12/2020 (in ⁰³ EUR)

VTS GROUP S.A.
 20, rue de l'Industrie
 L-8399 Windhof

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>9.412.662,83</u>	110 <u>11.088.474,19</u>
I. Intangible assets	1111 _____	111 <u>0,00</u>	112 <u>800.856,93</u>
II. Tangible assets	1125 _____	125 <u>0,00</u>	126 <u>0,00</u>
III. Financial assets	1135 _____	135 <u>9.412.662,83</u>	136 <u>10.287.617,26</u>
D. Current assets	1151 _____	151 <u>10.855.634,92</u>	152 <u>22.063.734,11</u>
I. Stocks	1153 _____	153 <u>86.141,59</u>	154 <u>57.658,33</u>
II. Debtors	1163 _____	163 <u>9.035.427,43</u>	164 <u>21.611.860,34</u>
a) becoming due and payable within one year	1203 _____	203 <u>9.015.957,88</u>	204 <u>18.369.328,40</u>
b) becoming due and payable after more than one year	1205 _____	205 <u>19.469,55</u>	206 <u>3.242.531,94</u>
III. Investments	1189 _____	189 _____	190 _____
IV. Cash at bank and in hand	1197 _____	197 <u>1.734.065,90</u>	198 <u>394.215,44</u>
E. Prepayments	1199 _____	199 _____	200 <u>15.015,43</u>
TOTAL (ASSETS)		201 <u>20.268.297,75</u>	202 <u>33.167.223,73</u>

The notes in the annex form an integral part of the annual accounts

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
1301 _____	301 _____	<u>6.081.620,07</u>	302 _____ <u>19.404.203,36</u>
I. Subscribed capital	1303 _____	<u>2.500.000,00</u>	304 _____ <u>2.500.000,00</u>
II. Share premium account	1305 _____	<u>5.567.869,49</u>	306 _____ <u>5.567.869,49</u>
III. Revaluation reserve	1307 _____	_____	308 _____
IV. Reserves	1309 _____	<u>250.000,00</u>	310 _____ <u>250.000,00</u>
V. Profit or loss brought forward	1319 _____	<u>5.086.333,87</u>	320 _____ <u>7.243.982,30</u>
VI. Profit or loss for the financial year	1321 _____	<u>-7.322.583,29</u>	322 _____ <u>7.942.351,57</u>
VII. Interim dividends	1323 _____	_____	324 _____ <u>-4.100.000,00</u>
VIII. Capital investment subsidies	1325 _____	_____	326 _____
B. Provisions	1331 _____	_____	332 _____
C. Creditors	1435 _____	<u>14.186.677,68</u>	436 _____ <u>13.763.020,37</u>
a) becoming due and payable within one year	1453 _____	<u>14.186.677,68</u>	454 _____ <u>1.753.099,26</u>
b) becoming due and payable after more than one year	1455 _____	_____	456 _____ <u>12.009.921,11</u>
D. Deferred income	1403 _____	_____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 _____ <u>20.268.297,75</u>	406 _____ <u>33.167.223,73</u>

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Matricule : 2006 2237 571

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ABRIDGED PROFIT AND LOSS ACCOUNT**Financial year from** ⁰¹ 01/01/2020 **to** ⁰² 31/12/2020 (in ⁰³ EUR)

VTS GROUP S.A.

20, rue de l'Industrie

L-8399 Windhof

	Reference(s)	Current year	Previous year
1. to 5. Gross profit or loss	1651 _____	651 <u>1.322.073,07</u>	652 <u>1.511.277,64</u>
6. Staff costs	1605 _____	605 <u>-253.013,13</u>	606 <u>-120.193,69</u>
a) Wages and salaries	1607 _____	607 <u>-242.254,00</u>	608 <u>-120.193,69</u>
b) Social security costs	1609 _____	609 <u>-10.759,13</u>	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 <u>-10.759,13</u>	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 <u>-800.856,93</u>	658 <u>-1.124.279,87</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 <u>-800.856,93</u>	660 <u>-1.124.279,87</u>
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 <u>-199.657,34</u>	622 <u>-8.186,25</u>

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	<u>7.403.167,94</u>	<u>7.403.026,44</u>
a) derived from affiliated undertakings	1717	<u>7.403.167,94</u>	<u>7.403.026,44</u>
b) other income from participating interests	1719		
10. Income from other investments and loans forming part of the fixed assets	1721		
a) derived from affiliated undertakings	1723		
b) other income not included under a)	1725		
11. Other interest receivable and similar income	1727	<u>1.210.728,81</u>	<u>893.033,42</u>
a) derived from affiliated undertakings	1729	<u>628.019,14</u>	<u>801.705,95</u>
b) other interest and similar income	1731	<u>582.709,67</u>	<u>91.327,47</u>
12. Share of profit or loss of undertakings accounted for under the equity method	1663		
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	<u>-13.067.706,14</u>	<u>-249.379,22</u>
14. Interest payable and similar expenses	1627	<u>-2.891.686,74</u>	<u>-322.916,90</u>
a) concerning affiliated undertakings	1629	<u>-2.890.202,54</u>	<u>-322.916,90</u>
b) other interest and similar expenses	1631	<u>-1.484,20</u>	
15. Tax on profit or loss	1635		
16. Profit or loss after taxation	1667	<u>-7.276.950,46</u>	<u>7.982.381,57</u>
17. Other taxes not shown under items 1 to 16	1637	<u>-45.632,83</u>	<u>-40.030,00</u>
18. Profit or loss for the financial year	1669	<u>-7.322.583,29</u>	<u>7.942.351,57</u>

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Déposé le 27/12/2021

VTS Group S.A.
« Société anonyme »

R.C.S. Luxembourg B 123449

ANNUAL ACCOUNTS
as at 31st December 2020

Register office:
20, rue de l'Industrie
L-8399 Windhof

VTS GROUP S.A.
Société anonyme
Registered office: 20, rue de l'Industrie, L-8399 Windhof
R.C.S. Luxembourg B123449
(the "Company")

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS

To the attention of the Sole Shareholder of **VTS GROUP S.A.**

Dear Sir,

In accordance with legal and statutory requirements and with the mandate of directors granted to us, we have the honour to present to you the annual financial statements for the year ended December 31st, 2020.

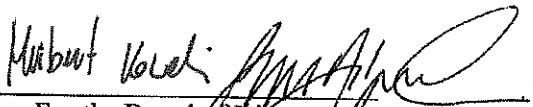
On the basis of the annual accounts as drafted, the year ended December 31st, 2020 closes with a loss amounting to EUR 7,322,583.29, which we suggest allocating as follows:


	EUR
Results brought forward	5,086,333.87
Loss for the financial year 2020	(7,322,583.29)
Results to carry forward	<hr style="width: 100%; border: 0.5px solid black; margin-bottom: 5px;"/> (2,236,249.42)

The Company does not have any R&D activities, has no branch and has not purchased any of its own shares. During the current period, the Company intends to maintain its current activities.

We kindly request that the financial statements of your Company be approved as they are presented and that discharge be granted to the directors and the Statutory Auditor for the execution of their mandate for the year ended December 31st, 2020.

Luxembourg, July 14th, 2021


For the Board of Directors



Compliance & Control

To the sole shareholder of
VTS Group S.A. (the Company)
20, rue de l'Industrie
L-8399 Windhof

REPORT OF THE COMMISSAIRE

Following the mandate as statutory auditor given, we have checked the books and accounting records of your Company for the financial year ending 31 December 2020.

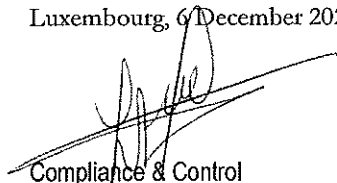
We have performed our assignment on the basis of article 443-2 of the law of 10 August 1915, as amended (hereafter "the Law"), and article 18 of the articles of incorporation of VTS Group S.A. (hereafter "the Company"), which do not require the statutory auditor to form an opinion on the annual accounts. Consequently, our assignment is neither an audit of the annual accounts in compliance with the International Standards of Auditing, nor a limited review according to the standard ISRE 2400.

The annual accounts for the financial year ending 31 December 2020 close with a balance sheet total of € 20,268,297.75 and a loss of € 7,322,583.29. These annual accounts are drawn up under the responsibility of the Board of Directors and are in accordance with the accounting records and documents submitted to us.

The Company has granted loans to affiliated companies VTS Gulf FZCO and VTS America, with balances outstanding of €2,611,304.71 and €1,783,629.30 respectively at 31 December 2020. Whilst both affiliated companies report negative equity, we are not able to ascertain whether the balances are fully recoverable.

We have no further comments to make on these annual accounts.

Luxembourg, 6 December 2021



Compliance & Control

Note 1 - GENERAL INFORMATION

VTS Group S.A. (hereafter the "Company") was incorporated on 20 December 2006 and is organized under the laws of Luxembourg as a limited liability company (Société anonyme) for an unlimited period.

The registered office of the Company is established in Luxembourg, Grand Duchy of Luxembourg.

The Company's financial year starts on 1 January and ends on 31 December.

VTS Group S.A. is a holding company for the Group of related entities that carry on worldwide business activity mainly in the HVAC sector, as a result its main function and role in the Group structure is holding function. Also as an owner of the main two trademarks (VTS and Ventus) that are used by Group's entities it holds license function (under which it mainly protects the trademark, perform marketing activities). The last main role of the VTS Group S.A. is financial function under which it coordinates loans and cash flows through the Group and also grants loans.

Holding

Under the holding function the Company is responsible for developing and executing Group's strategy, as well as for cash flows of the Group. Additionally VTS Group S.A. as a holding company undertakes merger and acquisitions activities.

The object of the Company is the acquisition of participations, interests and units, in Luxembourg or abroad, in any form whatsoever and the management of such participations, interests and units. The Company may in particular acquire by subscription, purchase, exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other instruments and more generally any securities and financial instruments issues by any public or private entity whatsoever.

License

The Company is responsible for development and maintenance of trademarks (under this role it creates policies and strategy in this regard). It is also responsible for registration of trademarks and protection of those trademarks. What is more it is responsible for provision some marketing activities related to VTS and Ventus trademark (under this role it also creates policies and strategy in this regard). The Company is responsible for concluding and supervising license agreements as well as undertaking some quality control activities in the context of appropriate use of trademarks.

Financial

Under the financial function VTS Group S.A. is budgeting intra-group financing needs, also budgeting external financing needs and monitoring financial needs of subsidiaries. Additionally, the Company is concluding, executing and supervising loan agreements, as well as monitoring financial situation of borrowers.

The Company may borrow in any form, except by way of public offer. It may issue by way of private placement only, notes, bonds and debentures and any kind of debt and/or equity securities. The Company may lend funds including the proceeds of any borrowings and/or issues of debt securities to its subsidiaries, affiliated companies or to any other company. It may also give guarantees and grant securities in favour of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other company. The Company may further pledge, transfer, encumber or otherwise create security over all or over some of its assets.

VTS Group S.A.
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Notes to the annual accounts as at 31st December 2020

Note 1 - GENERAL INFORMATION (Cont.)

The Company may carry out any commercial and/or financial transactions with respect to direct or indirect investments in movable and immovable property including but not limited to acquiring, owning, hiring, letting, leasing, renting, dividing, draining, reclaiming, developing, improving, cultivating, building on, selling or otherwise alienating, mortgaging, pledging or otherwise encumbering movable or immovable property.

Further to the extraordinary general meeting of shareholders held on June, 5th 2020, the registered office of the Company was transferred to 20, Rue de l'Industrie L-8399 Windhof.

Based on the criteria defined by Luxembourg law, the Company is required to draw up consolidated accounts and a consolidated management report for the period ended 31 December 2020.

These annual accounts were presented on a non-consolidated basis for the approval of the shareholders during the Annual General Meeting.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 2.1 - Basis of preparation

The annual accounts have been prepared on a going concern basis and in accordance with Luxembourg legal and regulatory requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg under the historical cost convention.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law of 19th December 2002, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires Management to exercise their judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. 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.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Note 2.2 – Significant accounting policies

The main valuation rules applied by the Company are as follows:

Note 2.2.1 - Formation expenses

The formation expenses of the Company are directly charged to the profit and loss account of the year in which they are incurred.

Note 2.2.2 - Financial assets

Shares in affiliated undertakings are valued at purchase price including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Managers, value adjustments are made in respect of these shares, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Loans to affiliated undertakings are valued at the lower of nominal value/purchase price including the expenses incidental thereto or market or recovery value. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply

Note 2.2.3 – Debtors

Debtors including loans to affiliated undertakings are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Note 2.2.4 - Foreign currency translation

The accounting records and annual accounts are prepared in EUR.

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. Solely the unrealized exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realization.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealized losses are recorded in the profit and loss account and the net unrealized exchange gains are not recognized.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Note 2.2 – Significant accounting policies (Cont.)

Note 2.2.5 – Prepayments

This asset item includes expenditure incurred during the financial year.

Note 2.2.6 - Creditors

Debts are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued.

Note 2.2.7 – Deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

Note 3 – INTANGIBLE ASSETS

The movements for the year as follows:

	2020 (EUR)	2019 (EUR)
Gross book value - opening balance	11,242,798.77	11,242,798.77
Additions for the year	0.00	0.00
Disposals for the year	0.00	0.00
Gross book value - closing balance	11,242,798.77	11,242,798.77
Accumulated value adjustment - opening	(10,441,941.84)	(9,317,661.97)
Allocations for the year	(800,856.93)	(1,124,279.87)
Reversals for the year	0.00	0.00
Accumulated value adjustment - closing	(11,242,798.77)	(10,441,941.84)
Net book value - closing balance	0.00	800,856.93
Net book value - opening balance	800,856.93	1,925,136.80

Note 4 – FINANCIAL FIXED ASSETS

	2020	2019
	(EUR)	(EUR)
Gross book value - opening balance	27,631,914.52	27,631,914.52
Additions for the year	12,572,684.71	0.00
Disposals for the year	(538,332.46)	0.00
Gross book value - closing balance	39,666,266.77	27,631,914.52
Accumulated value adjustment - opening	(17,344,297.26)	(18,097,175.36)
Allocations for the year	(13,186,982.91)	0.00
Reversals for the year	277,676.23	(752,878.10)
Accumulated value adjustment - closing	(30,253,603.94)	(17,344,297.26)
Net book value - closing balance	9,412,662.83	10,287,617.26
Net book value - opening balance	10,287,617.26	9,534,739.16

The Management is of the opinion that the fair value of each investment is above the book value and hence has not booked any impairment. The undertakings in which the Company holds at least 20% are as follows:

Company name	Registered address	Capital held fraction	Last balance sheet date	Net equity at the balance sheet date	Profit or loss of the last financial year
Vts Sp Z.o.o	Poland	100%	31/12/2020	46,307,091.55 PLN	8,153,733.74 PLN
VTS Polska sp. Zoo	Poland	100%	31/12/2020	7,175,732.76 PLN	8,405,732.76 PLN
VTS OOO	Russia	100%	31/12/2020	84,930,000.00 RUB	96,470.00 RUB
VTS Plant sp. Z.o.o	Poland	100%	31/12/2020	21,176,299.29 PLN	13,931,178.51 PLN
VTS Ukraine Limited Liability Cny	Ukraine	100%	31/12/2020	6,262,700.00 UAH	(1,572,700.00) UAH
VTS Trading (Shangai) Co. Ltd WFOE	China	100%	31/12/2020	(35,655,022.73) CNY	819,044.44 CNY

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Notes to the annual accounts as at 31st December 2020

Shangai VTS Clima Air conditioning equipment Coo Ltd WFOE	China	100%	31/12/2020	25,182,397.63 CNY	(5,031,073.87) CNY
VTS Clima L.L.C.	UAE	49%	31/12/2020	8,217,780.00 AED	4,345,038.00 AED
VTS Clima Gulf FZCO	UAE	83%	31/12/2020	(14,769,213.00) AED	(1,343,263.00) AED
VTS Ventus India Private limited	India	99%	31/03/2020	(42,063,809.00) RS	(52,640,009.00) RS
VTS TF AIR SYSTEMS (P) LTD	India	66%	31/03/2020	40,458,243.00 RS	(27,037,833.00) RS
VTS LC sp Z.o.o.	Poland	100%	31/12/2020	802,258.12 PLN	53,703.98 PLN
VTS Kazakhstan LLP	Kazakhstan	100%	31/12/2020	216,307,778.00 KZ	100,601,869.00 KZ
VTS America INC	USA	100%	31/12/2020	(7,176,564.22) USD	(1,876,628.90) USD
VTS CLIMA W.L.L.	Doha, Qatar	49%	31/12/2020	612,651.00 QAR	(12,003.00) QAR
VTS Chile	Chile	100%	31/12/2020	16,237.16 CLP	100,206.29 CLP

Safeman Ltd a private limited liability existed under the laws of Cyprus was merged with the Company as at May, 25th 2020.

On May 1st, 2020, the company sold its shares in VTS Romania.

Note 5 – STOCK

The stock are comprised as follows:

	2020	2019
	(EUR)	(EUR)
Gross book value - opening balance	59,079.91	59,079.91
Additions for the year	179,165.76	0.00
Disposals for the year	(199,925.57)	0.00
Gross book value - closing balance	38,320.10	59,079.91
Accumulated value adjustment - opening	(1,421.58)	0.00
Allocations for the year	0.00	(1,421.58)
Reversals for the year	528.78	0.00
Accumulated value adjustment - closing	(892.80)	(1,421.58)
Net book value - closing balance (A)	37,427.30	57,658.33
Net book value - opening balance (A)	57,658.33	0.00

Goods in transit can be detailed as follows:

	2020	2019
	(EUR)	(EUR)
Goods in transit - opening balance	0.00	0.00
Additions for the year	48,714.29	0.00
Disposals for the year	0.00	0.00
Gross book value - closing balance	48,714.29	0.00
Net book value - closing balance (B)	48,714.29	0.00
Net book value - opening balance (B)	0.00	0.00
Total Net book value - closing balance (A) + (B)	86,141.59	57,658.33
Total Net book value - opening balance (A) + (B)	57,658.33	0.00

Note 6 – DEBTORS

Note 6.a – DEBTORS BECOMING DUE AND PAYABLE WITHIN ONE YEAR

	2020 (EUR)	2019 (EUR)
Suppliers' advances	0.00	11,923.68
Direct tax	64,454.66	127,836.30
Indirect tax	26,367.23	36,698.88
Advance payments	279.06	12,125.54
Loan granted to VTS Gulf FZCO	2,485,535.00	3,277,780.80
Accrued interest on loan granted to VTS Gulf FZCO	125,769.71	155,090.21
Loan granted to VTS America	1,670,605.50	11,779,451.95
Accrued interest on loan granted to VTS America	113,023.80	1,402,621.44
Trade receivable on VTS America	14,463.84	0.00
Loan granted to VTS Chile	0.00	77,340.05
Accrued interest on loan granted to VTS Chile	0.00	14,189.56
Trade receivable on VTS Plant Spolka z.o.o.	35,100.00	0.00
Foreign taxes	0.00	5,400.00
Loan granted to Safeman Ltd	0.00	1,405,653.21
Accrued interests on loan granted to Safeman Ltd	0.00	54,506.91
Other receivable on Safeman Ltd	0.00	8,709.87
Dividends receivables – VTS Plant Sp z.o.o.	0.00	400,197.34
Royalties – VTS Clima (Shangai)	1,740,884.34	0.00
Royalties – VTS SP z.o.o.	603,569.92	0.00
Royalties – VTS America	436,824.19	0.00
Royalties – VTS Clima Gulf FZCO	423,525.56	0.00
Royalties – VTS Air Systems	469,543.58	0.00
Royalties – VTS Plant Sp z.o.o.	159,205.38	0.00
Royalties – VTS Clima Air Conditioning	31.11	0.00
Dividends receivables – VTS SP z.o.o.	646,775.00	0.00
Total	9,015,957.88	18,369,328.40

VTS Group S.A.
« Société anonyme »
R.C.S. Luxembourg : B123449

Notes to the annual accounts as at 31st December 2020

Note 6.b – DEBTORS (Cont.)

Note 6.b – DEBTORS BECOMING DUE AND PAYABLE MORE THAN ONE YEAR

Debtors becoming due and payable after more than one year consist mainly of:

	2020 (EUR)	2019 (EUR)
Dividends receivables – VTS Plant Sp z.o.o.	0.00	400,197.34
Royalties – VTS Clima (Shangai)	0.00	1,708,442.32
Royalties – VTS SP z.o.o.	0.00	18,072.54
Royalties – VTS America	0.00	304,023.50
Royalties – VTS Clima Gulf FZCO	0.00	277,658.31
Royalties – VTS Air Systems	0.00	306,318.15
Royalties – VTS Plant Sp z.o.o.	0.00	207,630.08
Deposit	19,469.55	20,189.70
Total	19,469.55	3,242,531.94

Note 6.b – DEBTORS (Cont.)

The loans can be detailed as follows:

Effective date of the loans	Maturity date	Interest rate	Original Principal (USD)	Outstanding Principal (USD)	Interest accrued (USD)
VTS FZCO - Interest Bearing Loan in USD					
08/11/2018	31/12/2021	LIBOR 1Y USD + 1.5%	500,000.00	500,000.00	32,228.72
30/11/2018	31/12/2021	LIBOR 1Y USD + 1.5%	500,000.00	500,000.00	31,301.38
12/12/2018	31/12/2021	LIBOR 1Y USD + 1.5%	1,160,000.00	1,160,000.00	72,619.19
18/06/2019	31/12/2021	LIBOR 1Y USD + 1.5%	1,100,000.00	550,000.00	15,507.73
08/07/2020	31/12/2021	LIBOR 1Y USD + 1.5%	500,000.00	340,000.00	2,674.98
VTS AMERICA - Interest Bearing Loan in USD					
24/01/2019	31/12/2021	LIBOR 1Y USD + 3.8%	740,000.00	370,000.00	30,967.91
18/06/2019	31/12/2021	LIBOR 1Y USD + 3.8%	2,000,000.00	1,000,000.00	72,073.31
13/08/2019	31/12/2021	LIBOR 1Y USD + 3.8%	530,000.00	530,000.00	28,828.35
18/12/2019	31/12/2021	LIBOR 1Y USD + 3.8%	150,000.00	150,000.00	6,297.93

Note 7 - SUBSCRIBED CAPITAL

The subscribed capital amounts to EUR 2,500,000 and is divided into 2,500,000 shares fully paid with a nominal value of 1 EUR.

Note 8 – LEGAL RESERVES

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed. As at December 31st, 2020 the legal reserve is at the required level.

Note 9 - MOVEMENTS OF EQUITY CAPTIONS

The movements for the year are as follows:

	Share capital	Legal Reserve	Interim Dividend	Share premium account	Profit or loss brought forward	Profit or loss for the financial year	Total
As at 31/12/2019	2,500,000.00	250,000.00	(4,100,000.00)	5,567,869.49	7,243,982.30	7,942,351.57	19,404,203.36
Movements for the year:	0.00	0.00		0.00	0.00	0.00	0.00
Allocation of previous year's profit or loss	0.00	0.00	0.00	0.00	7,942,351.57	(7,942,351.57)	0.00
Dividend/Interim dividend	0.00	0.00	4,100,000.00	0.00	(10,100,000.00)	0.00	(6,000,000.00)
Profit or loss for the year	0.00	0.00	0.00	0.00	0.00	(7,322,583.29)	(7,322,583.29)
As at 31/12/2020	2,500,000.00	250,000.00	0.00	5,567,869.49	5,086,333.87	(7,322,583.29)	6,081,620.07

Note 10 – CREDITORS

Note 10.a – CREDITORS BECOMING DUE AND PAYABLE WITHIN ONE YEAR

Creditors becoming due and payable within one year, consist mainly of:

	2020 (EUR)	2019 (EUR)
Trade creditors	163,867.78	63,763.65
Trade creditors owned to affiliated undertaking	458,075.07	0.00
Tax debts (Direct tax authorities)	85,662.83	129,507.70
Tax debts (Indirect tax authorities)	11,629.56	0.00
Dividend payable to shareholder	2,318,750.11	1,550,000.00
Amounts payable to staff	141,000.00	9,827.91
Loan payable to VTS Sp. Z.o.o.	6,139,410.00	0.00
Accrued interests payable to VTS Sp. Z.o.o.	79,012.05	0.00
Loan payable to VTS Plant	200,000.00	0.00
Accrued interests payable to VTA Plant	9,672.23	0.00
Loan payable to VTS Polska Spolka Z.o.o.	4,516,422.46	0.00
Accrued interests payable to VTS Polska Z.o.o.	63,175.59	0.00
Total	14,186,677.68	1,753,099.26

Note 10.b – CREDITORS BECOMING DUE AND PAYABLE AFTER MORE THAN ONE YEAR

Creditors becoming due and payable after more than one year consist essentially of:

	2020 (EUR)	2019 (EUR)
Loan payable to VTS Sp. Z.o.o.	0.00	6,203,889.47
Accrued interests payable to VTS Sp. Z.o.o.	0.00	455,556.68
Loan payable to VTS Plant	0.00	1,022,152.29
Accrued interests payable to VTA Plant	0.00	37,469.49
Loan payable to VTS Polska Spolka Z.o.o.	0.00	4,114,753.85
Accrued interests payable to VTS Polska Z.o.o.	0.00	81,168.85
Trade creditors	0.00	94,930.48
Total (A)	0.00	12,009,921.11

Note 10 – CREDITORS (Cont.)

Note 10.b – CREDITORS BECOMING DUE AND PAYABLE WITHIN ONE YEAR (Cont.)

The loans can be detailed as follows:

Effective date of the loans	Maturity date	Interest rate	Original Principal (EUR)	Outstanding Principal (EUR)	Interest accrued (EUR)
VTS Sp. Z.o.o. - Interest Bearing Loan in EUR					
31/01/2012	31/12/2021	Euribor 1Y + 1.3%	2,500,000.00	224,524.91	2,208.51
21/03/2012	31/12/2021	Euribor 1Y + 1.3%	150,000.00	150,000.00	29,733.55
16/08/2016	31/12/2021	Euribor 1Y + 1.3%	360,000.00	360,000.00	3,541.08
28/11/2016	31/12/2020	Euribor 1Y + 1.3%	50,000.00	0.00	287.94
21/11/2017	31/12/2021	Euribor 1Y + 1.3%	1,000,000.00	1,000,000.00	9,836.37
08/11/2018	31/12/2021	Euribor 1Y + 1.3%	280,000.00	280,000.00	2,754.18
12/12/2018	31/12/2021	Euribor 1Y + 1.3%	2,300,000.00	2,300,000.00	22,623.62
27/11/2019	31/12/2021	Euribor 3M + 2.0%	800,000.00	530,000.00	8,217.59
VTS PLANT - Interest Bearing Loan in EUR					
21/11/2017	31/12/2020	Euribor 1Y + 1.3%	750,000.00	0.00	1,871.55
19/09/2019	31/12/2021	Euribor 3M + 2.0%	200,000.00	200,000.00	3,139.36
VTS Polska Spolka Z.o.o. – Interest bearing loan in EUR					
22/12/2017	31/12/2021	Euribor 1Y + 1.3%	500,000.00	250,000.00	3,795.91
23/08/2018	31/12/2021	Euribor 1Y + 1.3%	600,000.00	600,000.00	5,901.81
20/09/2018	31/12/2021	Euribor 1Y + 1.3%	300,000.00	300,000.00	2,950.90
08/11/2018	31/12/2021	Euribor 1Y + 1.3%	400,000.00	400,000.00	3,934.55
30/11/2018	31/12/2021	Euribor 1Y + 1.3%	600,000.00	600,000.00	5,901.81
27/11/2019	31/12/2021	Euribor 3M + 2.0%	2,940,000.00	1,470,000.00	22,633.58

Note 10.b – CREDITORS BECOMING DUE AND PAYABLE WITHIN ONE YEAR (Cont.)

Effective date of the loans	Maturity date	Interest rate	Original Principal (USD)	Outstanding Principal (USD)	Interest accrued (USD)
VTS Sp. Z.o.o. - Interest Bearing Loan in USD					
12/09/2016	31/12/2021	LIBOR 1Y USD + 1.3%	1,050,000.00	218,953.50	4,410.50
30/09/2016	31/12/2021	LIBOR 1Y USD + 1.3%	500,000.00	500,000.00	10,071.72
21/10/2016	31/12/2021	LIBOR 1Y USD + 1.3%	570,000.00	570,000.00	11,481.75
15/02/2017	31/12/2021	LIBOR 1Y USD + 1.3%	300,000.00	300,000.00	2,434.34
17/11/2016	31/12/2020	LIBOR 1Y USD + 1.3%	200,000.00	0.00	6,043.05
VTS PLANT - Interest Bearing Loan in USD					
27/07/2018	31/12/2020	LIBOR 1Y USD + 1.3%	500,000.00	0.00	5,719.90
VTS Polska Spolka Z.o.o. – Interest bearing loan in USD					
20/09/2018	31/12/2021	LIBOR 1Y USD + 1.3%	600,000.00	600,000.00	12,086.06
30/11/2018	31/12/2021	LIBOR 1Y USD + 1.3%	500,000.00	500,000.00	10,071.72

Note 11 – GROSS PROFIT

	2020 (EUR)	2019 (EUR)
Sales of merchandises	476,163.84	5,400.00
Trademarks and franchises	2,068,021.13	2,316,163.93
Office and administrative supplies	(1,421.05)	0.00
Purchases of merchandises	(1,202.99)	0.00
Changes in inventory of consumable materials	(191,774.99)	(2,702.28)
Rents for real property	(71,559.61)	(28,237.93)
Other fixtures, electricity and water fees	(1,110.37)	(3,609.42)
Financial leasing on movable	(4,778.46)	0.00
IT processing	(14,632.58)	(5,170.23)
Bank account charges	(6,851.62)	(5,900.03)
Other professional fees	(18,247.29)	0.00
Legal fees	(601,157.38)	(424,901.74)
Accounting and audit fees	(49,438.72)	(87,265.42)
Tax consulting fees	(54,789.00)	(21,846.40)
Administrative fees	(12,415.26)	(53,330.77)
Insurance	(1,769.07)	(884.82)
Fairs and exhibitions	0.00	(24,326.08)
Catalogues, printed materials and publication	(71.08)	(3,675.00)
Other purchases of advertising services	(143,580.57)	(46,934.18)
Travel expenses	(13,660.79)	(67,736.74)
Telephone and other telecommunication	(29,511.90)	(2,924.81)
Other transportation	(115.00)	(6,366.28)
Temporary staff	(656.64)	0.00
Chamber of commerce	(140.00)	(1,707.85)
Other miscellaneous external charges	(2,050.00)	(22,766.31)
Total	1,322,073.07	1,511,277.64

Note 12 – STAFF

The Company has 5 employees as of 31 December 2020 (31 December 2019: 6 employees).

Note 13 - TAXATION

The Company is subject in Luxembourg to the applicable general tax regulations.

Note 14 - OFF-BALANCE SHEET COMMITMENTS

The Company has no off-balance sheet commitments.

Note 15 – Covid-19 Note

We consider that the financial and health crisis due to the Covid-19 epidemic during the year 2020 is neither of such a nature nor of such a significant importance that (i) the continuity of operations may be questioned and (ii) the financial effects must be (re)assessed in the financial statements.