



Ecorpp Management N.V.
Trias Building, Hanchi Snoa 19,
Willemstad Curaçao
M: +31 6 143 901 29 (NL)
T: +599 9 841 3333 (CUR)
E: Info@ecorpp.com

SOURCE OF FUNDS- AND SOURCE OF WEALTH DECLARATION
Of
VAVADA B.V.

I, hereby confirm that the funds provided to Ecorpp Management N.V. have not been derived from any criminal activities as defined in the Prevention of Money Laundering Acts of Curaçao

Furthermore, I confirm that my wealth is derived from the following sources:

Check source(s) of wealth	Necessary Information	Please describe the requested information or refer to attachments (mandatory)
☐ Family fortune	◆ Specify: e.g. (former) entrepreneurial, inheritance, other resources; if possible detailed and documented description	
☐ Active entrepreneurial	◆ Company name ◆ Short description of business activities ◆ Statutory seat ◆ Name company website (if applicable)	



Ecorpp Management N.V.
 Trias Building, Hanchi Snoa 19,
 Willemstad Curaçao
 M: +31 6 143 901 29 (NL)
 T: +599 9 841 3333 (CUR)
 E: Info@ecorpp.com

☐ Former entrepreneurial	◆ If “sold to third party”: Name of purchaser and approximate date ◆ If other: Detailed and documented description	
☐ Income	◆ Profession ◆ Name employer	
☒ Other	◆ Detailed and documented description	Company’s SOF is generated from players deposits, which are accumulated in account of Payment Agent – Alacomia Limited, registration number HE 401416.

NOTE:

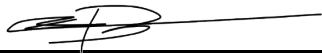
- Under applicable compliance rules for company service providers, it is required to have information on the source of wealth of clients on file. We therefore request our clients to fill in this confirmation form where applicable and to date and sign it for confirmation.
- Under applicable civil and criminal law, Ecorpp Management N.V./Boy Hendriks is under the obligation to treat all client information as strictly confidential and may not disclose any such information, except when the applicable criminal court or prosecutor’s order for disclosure is issued against Ecorpp Management N.V./Boy Hendriks.



Ecorpp Management N.V.
Trias Building, Hanchi Snoa 19,
Willemstad Curaçao
M: +31 6 143 901 29 (NL)
T: +599 9 841 3333 (CUR)
E: info@ecorpp.com

This form may be completed and signed on behalf of the client by the advisor or intermediary or a Ecorpp Management N.V./Boy Hendriks employee or officer, provided that all necessary supporting documents are attached.

Place and date : Curaçao, 9 April, 2024

Signature : 

Name : Ecorpp management N.V. / Boy Hendriks

Place and Date

UBO - mr Konstantin Silver

Signature

ALACOMIA LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2022

ALACOMIA LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2022

CONTENTS

PAGE

Board of Directors and other officers	1
Report of the Board of Directors	2
Independent auditor's report	3 - 5
Statement of profit or loss and other comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Cash flow statement	9
Notes to the financial statements	10 - 26

ALACOMIA LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors: Costas Panayiotou

Company Secretary: Costas Panayiotou

Independent Auditors: M. Papamichael Taxsmart Limited
Chartered Certified Accountants & Auditors
Loutrakiou, 5
Chara Venezia Building
1st Floor, Office 101
2027, Nicosia, Cyprus

Registered office: Loutrakiou, 5
Chara Venezia Building
1st Floor, Office 101
2027 Strovolos
Nicosia, Cyprus

Bankers: Paystree
Fiax Payments Ltd
Payally

Registration number: HE401416

ALACOMIA LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2022.

Principal activity and nature of operations of the Company

The principal activity of the Company is to provide marketing services.

Review of current position, future developments and performance of the Company's business

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's losses.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6 and 21 of the financial statements.

Credit risk

Results and Dividends

The Company's results for the year are set out on page 6. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Company, does not recommend the payment of a dividend and the net loss for the year is retained.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The sole member of the Company's Board of Directors as at 31 December 2022 and at the date of this report is presented on page 1. The Sole Director was a member of the Board of Directors throughout the year ended 31 December 2022.

In accordance with the Company's Articles of Association the Sole Director presently member of the Board continues in office.

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

Independent Auditors

The Independent Auditors, M. Papamichael Taxsmart Limited, 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,



Costas Panayiotou
Secretary

Nicosia, 25 September 2023

Independent Auditor's Report

To the Members of ALACOMIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ALACOMIA LIMITED (the "Company"), which are presented in pages 6 to 26 and comprise the statement of financial position as at 31 December 2022, 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 2022, 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

Independent Auditor's Report (continued)

To the Members of ALACOMIA LIMITED

Responsibilities of the Board of Directors for the Financial Statements (continued)

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 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.

Report on Other Legal Requirements

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

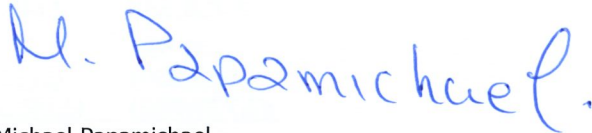
- In our opinion, the Report of the Board of Directors has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company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

Independent Auditor's Report (continued)

To the Members of ALACOMIA LIMITED

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.



Michael Papamichael
Certified Public Accountant and Registered Auditor
for and on behalf of

M. Papamichael Taxsmart Limited
Chartered Certified Accountants & Auditors

Nicosia, 25 September 2023

ALACOMIA LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2022

	Note	2022 €	2021 €
Revenue	7	9,668,053	3,872,808
Loan interest income		327	-
Cost of sales		(6,909,823)	(1,057,059)
Gross profit		2,758,557	2,815,749
Other operating income	8	29,577	-
Selling and distribution expenses		(596,350)	(176,047)
Administration expenses		(2,777,910)	(1,049,227)
Operating (loss)/profit		(586,126)	1,590,475
Finance costs	11	(124,903)	(118,957)
(Loss)/profit before tax		(711,029)	1,471,518
Tax	12	-	(30,055)
Net (loss)/profit for the year		(711,029)	1,441,463
Other comprehensive income		-	-
Total comprehensive income for the year		(711,029)	1,441,463

The notes on pages 10 to 26 form an integral part of these financial statements.

ALACOMIA LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 €	2021 €
ASSETS			
Non-current assets			
Property, plant and equipment	13	295,395	295,395
Intangible assets	14	502,000	564,750
Non-current loans receivable	15	1,579,609	1,500,000
		<u>2,377,004</u>	<u>2,360,145</u>
Current assets			
Receivables	16	574,700	454,034
Cash at bank and in hand	17	307,747	314,861
		<u>882,447</u>	<u>768,895</u>
Total assets		<u>3,259,451</u>	<u>3,129,040</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	18	1,000	1,000
Retained earnings		780,288	1,491,317
Total equity		<u>781,288</u>	<u>1,492,317</u>
Current liabilities			
Trade and other payables	19	2,476,441	1,603,266
Current tax liabilities	20	1,722	33,457
		<u>2,478,163</u>	<u>1,636,723</u>
Total equity and liabilities		<u>3,259,451</u>	<u>3,129,040</u>

On 25 September 2023 the Board of Directors of ALACOMIA LIMITED authorised these financial statements for issue.



.....
Costas Panayiotou
Director

The notes on pages 10 to 26 form an integral part of these financial statements.

ALACOMIA LIMITED

STATEMENT OF CHANGES IN EQUITY

31 December 2022

	Share capital €	Retained earnings €	Total €
Balance at 1 January 2021	1,000	49,854	50,854
Net profit for the year	-	1,441,463	1,441,463
Balance at 31 December 2021/ 1 January 2022	1,000	1,491,317	1,492,317
Net loss for the year	-	(711,029)	(711,029)
Balance at 31 December 2022	1,000	780,288	781,288

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 10 to 26 form an integral part of these financial statements.

ALACOMIA LIMITED

CASH FLOW STATEMENT

31 December 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(711,029)	1,471,518
Adjustments for:			
Amortisation of computer software	14	62,750	62,750
Interest income		(327)	-
Interest expense	11	327	-
		(648,279)	1,534,268
Changes in working capital:			
Increase in receivables		(120,666)	(395,931)
Increase in trade and other payables		873,175	611,560
Cash generated from operations		104,230	1,749,897
Interest received		327	-
Tax paid		(31,735)	(4,761)
Net cash generated from operating activities		72,822	1,745,136
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	14	-	(627,500)
Payment for purchase of property, plant and equipment	13	-	(94,855)
Loans granted		(79,609)	(1,500,000)
Net cash used in investing activities		(79,609)	(2,222,355)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(327)	-
Net cash used in financing activities		(327)	-
Net decrease in cash and cash equivalents		(7,114)	(477,219)
Cash and cash equivalents at beginning of the year		314,861	792,080
Cash and cash equivalents at end of the year	17	307,747	314,861

The notes on pages 10 to 26 form an integral part of these financial statements.

ALACOMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. Incorporation and principal activities

Country of incorporation

The Company ALACOMIA LIMITED (the "Company") was incorporated in Cyprus on 29 August 2019 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Loutrakiou, 5, Chara Venezia Building, 1st Floor, Office 101, 2027 Strovolos, Nicosia, Cyprus.

Principal activity

The principal activity of the Company is to provide marketing services.

2. 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.

3. Adoption of new or revised standards and interpretations

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 2022. This adoption did not have a material effect on the accounting policies of the Company.

4. 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.

Going concern basis

The Company incurred a loss of €711,029 for the year ended 31 December 2022, and, as of that date the Company's current liabilities exceeded its current assets by €1,595,716. The Company is dependent upon the continuing financial support of its parent company without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The parent company has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Joint arrangements

Joint arrangements are arrangements of which the Company has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In relation to its interest in a joint operation, the Company recognises its assets, liabilities, revenue and expenses including its share of those held or incurred jointly. Interests in joint ventures are recognised as an investment and are accounted for using the equity method.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Joint arrangements (continued)

Transactions eliminated on consolidation

Intra group balances, and any unrealised income and expenses arising from intra group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Company's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Acquisition for entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Revenue

Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Revenue recognition (continued)

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

- **Rendering of services**

Rendering of services - over time:

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

Rendering of services - at a point in time:

The Company concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Commission income**

Commission income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

- **Interest income**

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

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition the Company operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Foreign currency translation (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

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.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are 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 assets.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)**Financial assets (continued)****Credit related commitments**

The Company issues commitments to provide loans. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Company will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Company cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

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

Trade payables

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

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

4. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

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.

5. New accounting pronouncements

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.

6. Critical accounting estimates, judgments and assumptions

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.

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. 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.

- **Going concern basis**

0

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

6. Critical accounting estimates, judgments and assumptions (continued)

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Impairment of loans receivable**

The Company periodically evaluates the recoverability of loans receivable 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 in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Impairment of intangible assets**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

6. Critical accounting estimates, judgments and assumptions (continued)

- **Vessel life and impairment**

The carrying value of the Company's vessel represents its original cost at the time it was delivered or purchased less depreciation calculated using an estimated useful life of years from the date the vessel was originally delivered from the shipyard. In the shipping industry, use of life in this range has become the standard. The actual life of a vessel may be different. If the economic life assigned to the vessel proves to be too long because of new regulations or other future events, higher depreciation expense and impairment losses could result in future periods related to a reduction in the useful life of the vessel.

The carrying value of the Company's vessel may not represent its fair market value at any point in time since the market prices of second-hand vessels tend to fluctuate with changes in charter rates and the cost of new buildings. Historically, both charter rates and vessel values tend to be cyclical. The Company records impairment losses only when events occur that cause the Company to believe that future cash flows for the vessel will be less than its carrying value. The carrying amount of vessel held and used by the Company is reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of the vessel may not be fully recoverable. In such instances, an impairment charge would be recognised if the estimate of the discounted future cash flows expected to result from the use of the vessel and its eventual disposition is less than the vessel's carrying amount.

In developing estimates of future cash flows, the Company must make assumptions about future charter rates, ship operating expenses and the estimated remaining useful life of the vessel. These assumptions are based on historical trends as well as future expectations. Although Management believes that the assumptions used to evaluate potential impairment are reasonable and appropriate, such assumptions may be highly subjective.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

7. Revenue

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

Disaggregation of revenue

	2022	2021
	€	€
Commissions receivable	<u>9,668,053</u>	<u>3,872,808</u>
	<u>9,668,053</u>	<u>3,872,808</u>

8. Other operating income

	2022	2021
	€	€
Exchange profit	<u>29,577</u>	<u>-</u>
	<u>29,577</u>	<u>-</u>

ALACOMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

9. Expenses by nature

	2022	2021
	€	€
Raw materials and consumables used	10,000	398,379
Staff costs (Note 10)	80,670	-
Depreciation and amortisation expense	62,750	62,750
Auditors' remuneration	2,000	1,400
Other expenses	10,128,663	1,819,804
Total expenses	10,284,083	2,282,333

10. Staff costs

	2022	2021
	€	€
Pensions cost	80,670	-
	80,670	-

The Company has a defined contribution scheme, the ALACOMIA LIMITED Employees' Provident Fund, which is funded separately and prepares its own financial statements whereby employees are entitled to payment of certain benefits upon retirement or prior termination of service.

11. Finance costs

	2022	2021
	€	€
Net foreign exchange losses	16,042	-
Interest expense	327	-
Sundry finance expenses	108,534	118,957
Finance costs	124,903	118,957

12. Tax

	2022	2021
	€	€
Corporation tax	-	30,055
Charge for the year	-	30,055

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

	2022	2021
	€	€
(Loss)/profit before tax	(711,029)	1,471,518
Tax calculated at the applicable tax rates	(88,879)	183,940
Tax effect of expenses not deductible for tax purposes	84,679	169
Tax effect of allowances and income not subject to tax	(168,157)	(154,796)
Tax effect of tax loss for the year	172,357	-
10% additional charge	-	742
Tax charge	-	30,055

ALACOMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

12. Tax (continued)

The corporation tax rate is 12,5%.

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%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

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.

13. Property, plant and equipment

	Property under construction €	Vessel cost €	Total €
Cost			
Balance at 1 January 2021	200,540	-	200,540
Additions	-	94,855	94,855
Balance at 31 December 2021/ 1 January 2022	200,540	94,855	295,395
Balance at 31 December 2022	200,540	94,855	295,395
Net book amount			
Balance at 31 December 2022	200,540	94,855	295,395
Balance at 31 December 2021	200,540	94,855	295,395

14. Intangible assets

	Computer software €
Cost	
Additions	627,500
Balance at 31 December 2021/ 1 January 2022	627,500
Balance at 31 December 2022	627,500
Amortisation	
Amortisation for the year (Note 9)	62,750
Balance at 31 December 2021/ 1 January 2022	62,750
Amortisation for the year (Note 9)	62,750
Balance at 31 December 2022	125,500
Net book amount	
Balance at 31 December 2022	502,000
Balance at 31 December 2021	564,750

ALACOMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

15. Non-current loans receivable

	2022	2021
	€	€
Loans to related parties (Note 22.3)	<u>1,579,609</u>	<u>1,500,000</u>
	<u>1,579,609</u>	<u>1,500,000</u>

The fair values of non-current receivables approximate to their carrying amounts as presented above.

16. Receivables

	2022	2021
	€	€
Shareholders' current accounts - debit balances (Note 22.4)	507,587	407,438
Receivables from other related parties (Note 22.2)	<u>67,113</u>	<u>46,596</u>
	<u>574,700</u>	<u>454,034</u>

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

17. Cash at bank and in hand

Cash balances are analysed as follows:

	2022	2021
	€	€
Cash at bank and in hand	<u>307,747</u>	<u>314,861</u>
	<u>307,747</u>	<u>314,861</u>

18. Share capital

	2022	2022	2021	2021
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Issued and fully paid				
Balance at 1 January	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Balance at 31 December	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

19. Trade and other payables

	2022	2021
	€	€
Trade payables	2,071,959	562,420
Accruals	<u>404,482</u>	<u>1,040,846</u>
	<u>2,476,441</u>	<u>1,603,266</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

20. Current tax liabilities

	2022	2021
	€	€
Corporation tax	<u>1,722</u>	<u>33,457</u>
	<u>1,722</u>	<u>33,457</u>

21. Operating Environment of the Company

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

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 conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2022 as it is considered as a non-adjusting event.

The Company has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

Despite the limited direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

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. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for [please complete accordingly] in case the crisis becomes prolonged.

ALACOMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

22. Related party transactions

The following transactions were carried out with related parties:

22.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	2022 €	2021 €
Design expenses	80,670	-
	<u>80,670</u>	<u>-</u>

22.2 Receivables from related parties (Note 16)

Name	Nature of transactions	2022 €	2021 €
MAXROYAL LTD	Administration services	12,887	10,317
ANUPAMIX LTD	Administration services	500	500
VAVADA LTD	Administration services	53,726	35,779
		<u>67,113</u>	<u>46,596</u>

22.3 Loans to related parties (Note 15)

	Terms	2022 €	2021 €
MIKHAIL ANTIPKIN	Finance	1,579,609	1,500,000
		<u>1,579,609</u>	<u>1,500,000</u>

The loan to the UBO was provided interest free, and there was no specified repayment date.

22.4 Shareholders' current accounts - debit balances (Note 16)

	2022 €	2021 €
Shareholders' current accounts	507,587	407,438
	<u>507,587</u>	<u>407,438</u>

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

23. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2022.

24. Commitments

The Company had no capital or other commitments as at 31 December 2022.

25. Events after the reporting period

As explained in note 21 the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

Depending on the duration of the conflict between Russia and Ukraine, and continued negative impact on economic activity, the Company might experience further negative results, and liquidity restraints and incur additional impairments on its assets in 2022 which relate to new developments that occurred after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

25. Events after the reporting period (continued)

The impact of events after the reporting date on the going concern is described in note 4.

Independent auditor's report on pages 3 to 5

ALACOMIA LIMITED

DETAILED INCOME STATEMENT

31 December 2022

	Page	2022 €	2021 €
Revenue			
Commissions receivable		9,668,053	3,872,808
Loan interest income		327	-
Cost of sales	28	<u>(6,909,823)</u>	<u>(1,057,059)</u>
Gross profit		2,758,557	2,815,749
Other operating income			
Realised foreign exchange profit		<u>29,577</u>	-
		2,788,134	2,815,749
Operating expenses			
Administration expenses	29	<u>(2,777,910)</u>	(1,049,227)
Selling and distribution expenses	29	<u>(596,350)</u>	<u>(176,047)</u>
Operating (loss)/profit		(586,126)	1,590,475
Finance costs	30	<u>(124,903)</u>	<u>(118,957)</u>
Net (loss)/profit for the year before tax		<u>(711,029)</u>	<u>1,471,518</u>

ALACOMIA LIMITED

COST OF SALES

31 December 2022

	2022 €	2021 €
Cost of sales		
Comission Payable	<u>10,000</u>	398,379
	<u>10,000</u>	<u>398,379</u>
Direct costs		
Royalties Fees	210,044	175,807
Software Lease	4,719,779	152,872
Call Center Services	<u>1,970,000</u>	330,001
	<u>6,899,823</u>	658,680
	<u>6,909,823</u>	<u>1,057,059</u>

ALACOMIA LIMITED

OPERATING EXPENSES

31 December 2022

	2022 €	2021 €
Administration expenses		
Design expenses	80,670	-
Annual levy	350	-
Clients expenses	10,920	10,793
Insurance	-	500
Sundry expenses	47,296	-
Marketing expenses	294,499	135,684
Auditors' remuneration	2,000	1,400
Secretarial fees	2,862	-
Legal and professional	54,538	29,744
Fines	1,941	-
Travelling	18,300	34,329
Entertaining	16,550	-
License Fees	1,042,545	382,033
Software Services	714,283	159,303
Consultancy fees	384,512	153,497
Internet expenses	5,099	69,814
Administration Expenses	38,795	9,380
Amortisation of computer software	62,750	62,750
	<u>2,777,910</u>	<u>1,049,227</u>

	2022 €	2021 €
Selling and distribution expenses		
Overseas travelling	-	16,424
Advertising	596,350	159,623
	<u>596,350</u>	<u>176,047</u>

ALACOMIA LIMITED

FINANCE COSTS

31 December 2022

	2022 €	2021 €
Finance costs		
Interest expense		
Loan interest	327	-
Sundry finance expenses		
Bank charges	108,534	118,957
Net foreign exchange losses		
Realised foreign exchange loss	16,042	-
	<u>124,903</u>	<u>118,957</u>

ALACOMIA LIMITED

COMPUTATION OF WEAR AND TEAR ALLOWANCES

31 December 2022

Year	%	COST				ANNUAL ALLOWANCES					Net value 31/12/2022 €
		Balance 01/01/2022 €	Additions for the year €	Disposals for the year €	Balance 31/12/2022 €	Balance 01/01/2022 €	Charge for the year €	On disposals €	Balance 31/12/2022 €		
2020	-	200,540	-	-	200,540	-	-	-	-	200,540	
		200,540	-	-	200,540	-	-	-	-	200,540	
2021	-	42,835	-	-	42,835	-	-	-	-	42,835	
	-	27,420	-	-	27,420	-	-	-	-	27,420	
	-	24,600	-	-	24,600	-	-	-	-	24,600	
		94,855	-	-	94,855	-	-	-	-	94,855	
Total		295,395	-	-	295,395	-	-	-	-	295,395	
2021	10	627,500	-	-	627,500	62,750	62,750	-	125,500	502,000	
		627,500	-	-	627,500	62,750	62,750	-	125,500	502,000	
Property under construction											
Nereus Tower-Office 101											
Vessel cost											
Tender Make Williams Spojet 395											
SEABOB F55											
FAREAST 28R STANDARD BOAT											
Computer software											
Inktech software program											

ALACOMIA LIMITED

COMPUTATION OF CORPORATION TAX

31 December 2022

	Page	€	€
Net loss per income statement	27		(711,029)
<u>Add:</u>			
Depreciation		62,750	
Realised foreign exchange loss		16,042	
Annual levy		350	
Fines		1,941	
Other non-allowable expenses		<u>596,350</u>	
			<u>677,433</u>
			(33,596)
<u>Less:</u>			
Annual wear and tear allowances	31	62,750	
80% of net royalty income		1,252,935	
Realised foreign exchange profit		<u>29,577</u>	
			<u>(1,345,262)</u>
Net loss for the year			<u><u>(1,378,858)</u></u>

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

Tax year	2017	2018	2019	2020	2021	2022
	€	€	€	€	€	€
Profits/(losses) for the tax year	-	-	-	59,367	218,583	(1,378,858)
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward (1,378,858)

ALACOMIA LIMITED

**Loutrakiou, 5
Chara Venezia Building
1st Floor, Office 101
2027 Strovolos
Nicosia, Cyprus**

M. Papamichael Taxsmart Limited
Chartered Certified Accountants & Auditors
Loutrakiou, 5
Chara Venezia Building
1st Floor, Office 101
2027, Nicosia, Cyprus

25 September 2023

Management representation letter for the audit of the year ended 31 December 2022

Dear Sirs

This representation letter is provided in connection with your audit of the financial statements of ALACOMIA LIMITED (the "Company") for the year ended 31 December 2022 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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.

By a resolution of the Board of Directors, passed today, we are directed to confirm to you, in respect of the financial statements of the Company for the year ended 31 December 2022, the following:

We confirm that, to the best of our knowledge and belief and having made appropriate inquiries of other Directors and officials and staff of the Company as we considered necessary for the purpose of appropriately informing ourselves, that we can make the following representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that you are aware of that information.

I. Financial statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated 05 June 2023, for the preparation of the financial statements in accordance with IFRSs as adopted by the EU and the requirements of the Cyprus Companies Law, Cap. 113, which give a true and fair view in accordance therewith, and for making accurate representations to you. We further confirm that we have reviewed and approved the financial statements.
- 2) All transactions undertaken by the Company have been properly reflected in the accounting records and the financial statements.
- 3) We confirm that we have reviewed the Company's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the Company's particular circumstances, as required by International Accounting Standard IAS1: Presentation of financial statements.
- 4) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 5) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of IFRSs as adopted by the EU.

6) Litigation and claims

- i) We confirm that all known, actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and have been appropriately accounted for and disclosed in the financial statements in accordance with IFRSs as adopted by the EU.
- ii) We are not aware of any pending or threatened litigation, proceedings, hearing or claims negotiations, which may result in significant loss to the Company.

7) Events after the reporting period

All events subsequent to the date of the financial statements and for which IFRSs as adopted by the EU require adjustment or disclosure have been adjusted or disclosed in the financial statements. Other than as described in the financial statements, there have been no circumstances or events subsequent to the period end, which require adjustment of or disclosure in the financial statements or in the notes thereto.

8) Uncorrected misstatements

We confirm that the financial statements are free of material misstatements, including omissions. We believe that the effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements as a whole.

9) Going concern

We confirm that, having considered our future expectations and intentions for the next twelve months, and the availability of working capital, the Company is a going concern. We further confirm that the disclosures in the accounting policies are an accurate reflection of the reasons for our consideration that the financial statements should be drawn up on a going concern basis.

II. Information provided

10) Accounting records

- i) All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken have been properly reflected and recorded in the accounting records. All other records and related information which have requested by you for the purpose of the audit, including minutes of Directors, shareholders and relevant management meetings, have been made available to you and no such information has been withheld. We have also provided unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.

11) Fraud

- i) We acknowledge as Directors that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.
- ii) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- iii) We have disclosed to you all information relating to any fraud or suspected fraud known to us that may have affected the Company (regardless of the source or form and including, without limitation, allegations by "whistle-blowers"), and involves Management, employees who have significant roles in internal control or others where fraud could have a material effect on the financial statements. We have also disclosed any allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others, that could affect the Company's financial statements.

12) Laws and regulations

- i) We confirm that we are not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations that are central to the Company's ability to conduct its business or that could have a material effect on the financial statements.

- ii) We confirm that we are not aware of any irregularities, or allegations of irregularities including fraud, involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

13) Contractual arrangements/agreements

- i) All contractual arrangements entered into by the Company with third parties have been properly reflected in the accounting records or, where material (or potentially material) to the financial statements, have been disclosed to you.
 - ii) The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
 - iii) There are no other agreements not in the ordinary course of business.
- 14) The Company has satisfactory title to all assets and there are no liens or encumbrances on the Company's assets, except for those disclosed in the financial statements.

15) Investments

We have disclosed to you our plans regarding long term investments (investments in subsidiary undertakings, associate undertaking and investments at fair value through other comprehensive income) that are material to the financial statements, in particular whether the Company has the ability to continue to hold the investments on a long-term basis.

We confirm that we have conducted an appropriate assessment of whether or not there was any indication that (investments in subsidiary undertakings, associate undertaking and investments at fair value through other comprehensive income) may be impaired. Our assessment did not reveal any impairment indications.

III. Other representations

Assets and liabilities

- 16) We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
- 17) In our opinion on realization in the ordinary course of business, the current assets in statement of financial position are expected to produce no less than the carrying amounts at which they are stated.

18) Provisions

- i) Provisions for depreciation and diminution in value including obsolescence have been made against property, plant and equipment on the basis and at rates calculated to reduce the net book amount of each asset to its estimated residual value by the end of its probable useful life in the Company's business. In this respect, we are satisfied that the probable useful lives have been realistically estimated.
- ii) Full provision has been made for all liabilities at the reporting date including guarantees, commitments and contingencies where the items are expected to result in significant loss to the Company. Other such items, where in our opinion provision is unnecessary, have been appropriately disclosed in the financial statements.

Disclosures

- 19) We have recorded or disclosed, as appropriate, all capital stock repurchase options or agreements, and capital stock reserved for options, warrants, conversions and other requirements.
- 20) We have recorded or disclosed, as appropriate, all arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and lines of credit or similar arrangements.
- 21) We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent, and have disclosed in the notes to the financial statements all guarantees that we have given to third parties, including oral guarantees made by the Company on behalf of an affiliate, Director, officer or any other third party.

- 22) There are no other liabilities that are required to be recognised and no other contingent assets or contingent liabilities that are required to be disclosed in the financial statements in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, including liabilities or contingent liabilities arising from illegal or possible illegal acts.

23) Taxation

We have provided you with all information related to all significant income tax uncertainties of which we are aware. We have also provided you with access to all opinions and analyses that relate to positions we have taken in regard to significant income tax matters.

24) Accounting estimates

- i) We confirm that we have used appropriate measurement processes, including related assumptions and models, in determining the accounting estimate that are disclosed in the financial statements. We further confirm that measurement processes were consistently applied from year to year and that the assumptions appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Company where relevant to the accounting estimates and disclosures.
- ii) We confirm that disclosures related to accounting estimates are complete and appropriate under the IFRSs adopted by the EU.
- iii) We confirm that no adjustments are required to be made to the accounting estimates and disclosures included in the financial statements as a result of subsequent events.
- iv) We believe the assumptions and techniques used by us are appropriate and that all fair value measurements are determined in accordance with IFRS 13.

25) Retirement benefits

- i) All significant retirement benefits that the Company is committed to providing, including any arrangements that are statutory, contractual or implicit in the Company's actions, arising in Cyprus or overseas, whether funded or unfunded, approved or unapproved, have been identified and properly accounted for and/or disclosed.
- ii) All settlements and curtailments in respect of retirement benefit schemes have been identified and properly accounted for.

26) Functional Currency

We have considered which currency is the currency of the primary economic environment in which the Company operates (the "functional currency"). In making this assessment, we have used our judgment to determine the functional currency that most faithfully represents the underlying transactions, events and conditions of the Company. We have concluded that the functional currency of the Company is the Euro.

27) Financial Instruments

We confirm that we have disclosed information relating to the Company's exposures to risks arising from financial instruments that is adequate to enable users to evaluate the nature and extent of those risks to which the Company is exposed at the end of the reporting period, in accordance with IFRS 7, including the exposures to risks and how they arise, our objectives, policies and procedures for managing the risks, the methods used to measure risks, and a summary of quantitative data about our exposure to risks. We confirm that:

- Significant concentrations of credit risk arising from all financial instruments and information about the collateral supporting such financial instruments have been appropriately disclosed in the financial statements. Further, the quantitative data disclosed are representative of the Company's exposure to risks arising from financial instruments during the period.
 - There are no outflows of cash that could occur significantly earlier than indicated in the summary quantitative data about exposure to liquidity risk, or that could be for significantly different amounts from those included in that data.
- 28) We confirm that we have appropriately performed impairment testing in accordance with IAS 36 Impairment of Assets.

29) Transactions with Directors/officers

Except as disclosed in the financial statements, no other transactions involving Directors, officers and others requiring disclosure in the financial statements under the Companies Law, Cap. 113 have been entered into.

Yours faithfully,
For and on behalf of the Board of Directors of ALACOMIA LIMITED



.....
Costas Panayiotou
Director