

ORIGINAL

**JAZZ BUSINESS SOLUTIONS (CYPRUS)
LIMITED**

FINANCIAL STATEMENTS
31 December 2023

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

FINANCIAL STATEMENTS

31 December 2023

CONTENTS

PAGE

Board of Directors and other officers	1
Independent auditor's report	2 - 3
Statement of profit or loss and other comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Cash flow statement	7
Notes to the financial statements	8 - 12

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Evis Gavrielides (appointed 31 January 2023)
Savvas shiatis
Elena Deliyianni (resigned 31 January 2023)

Company Secretary:

One World Secretarial Limited
75 Prodromou Avenue
Oneworld Parkview House, 4th floor
2063 Nicosia

Independent Auditors:

Priamus Audit Limited
Certified Public Accountants and Registered Auditors
75 Prodromou Avenue
Oneworld Parkview House
2nd floor
2063 Nicosia

Registered office:

75 Prodromou Avenue
Oneworld Parkview House, 4th floor
2063 Nicosia

Independent Auditor's Report

To the Members of Jazz Business Solutions (Cyprus) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jazz Business Solutions (Cyprus) Limited (the "Company"), which are presented in pages 4 to 12 and comprise the statement of financial position as at 31 December 2023, 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 2023, 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.

Material Uncertainty Related to Going Concern

We draw attention to note 4 to the financial statements which indicates that the Company incurred a loss of €4,354 during the year ended 31 December 2023, and, as of that date the Company's liabilities exceeded its assets by €23,282. As stated in note 4, these events or conditions, along with other matters as set forth in note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Independent Auditor's Report (continued)

To the Members of Jazz Business Solutions (Cyprus) Limited

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.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Andreas Argyrou
Certified Public Accountant and Registered Auditor
for and on behalf of
Priamus Audit Limited
Certified Public Accountants and Registered Auditors

Nicosia, 4 March 2024

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2023

	Note	2023 €	2022 €
Administration expenses	8	<u>(4.354)</u>	<u>(5.572)</u>
Net loss for the year		(4.354)	(5.572)
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(4.354)</u>	<u>(5.572)</u>

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

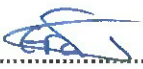
JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

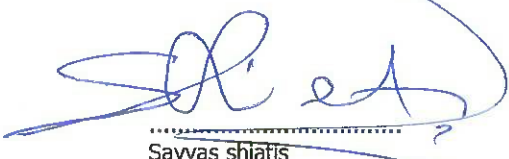
STATEMENT OF FINANCIAL POSITION

31 December 2023

	Note	2023 €	2022 €
ASSETS			
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1.000	1.000
Accumulated losses		<u>(24.282)</u>	<u>(19.928)</u>
Total equity		<u>(23.282)</u>	<u>(18.928)</u>
Current liabilities			
Payables	10	<u>23.282</u>	<u>18.928</u>
		<u>23.282</u>	<u>18.928</u>
Total equity and liabilities		<u>-</u>	<u>-</u>

On 4 March 2024 the Board of Directors of Jazz Business Solutions (Cyprus) Limited authorised these financial statements for issue.


.....
Evis Gavrielides
Director


.....
Savvas Shiatis
Director

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

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

STATEMENT OF CHANGES IN EQUITY

31 December 2023

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2022	1.000	(14.356)	(13.356)
Net loss for the year	-	(5.572)	(5.572)
Balance at 31 December 2022/ 1 January 2023	1.000	(19.928)	(18.928)
Net loss for the year	-	(4.354)	(4.354)
Balance at 31 December 2023	1.000	(24.282)	(23.282)

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 8 to 12 form an integral part of these financial statements.

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

CASH FLOW STATEMENT

31 December 2023

	2023 €	2022 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(4.354)	(5.572)
Cash flows used in operations before working capital changes	(4.354)	(5.572)
Increase in payables	4.354	5.572
Cash generated from operations	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the year	-	-
Cash and cash equivalents at end of the year	-	-

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

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

1. Incorporation and principal activities

Country of incorporation

The Company Jazz Business Solutions (Cyprus) Limited (the "Company") was incorporated in Cyprus on 6 February 2020 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 75 Prodromou Avenue, Oneworld Parkview House, 4th floor, 2063 Nicosia.

Principal activity

The Company remained dormant during the year under review.

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 2023. 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 €4,354 for the year ended 31 December 2023, and, as of that date the Company's liabilities exceeded its assets by €23,282. 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.

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.

(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.

Share capital

Ordinary shares are classified as equity.

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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. Financial risk management

Financial risk factors

The Company is exposed to liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

31 December 2023

	Borrowings and other financial liabilities €	Total €
Liabilities as per statement of financial position:		
Payables to related parties	20,249	20,249
Total	20,249	20,249

31 December 2022

	Borrowings and other financial liabilities €	Total €
Liabilities as per statement of financial position:		
Payables to related parties	17,536	17,536
Total	17,536	17,536

6.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

31 December 2023	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Payables to related parties	20,249	20,249	20,249	-	-	-	-
	20,249	20,249	20,249	-	-	-	-

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

6. Financial risk management (continued)

6.2 Liquidity risk (continued)

31 December 2022	Carrying amounts €	Contractual cash flows €	3 months or less €	3-12 months €	1-2 years €	2-5 years €	More than 5 years €
Payables to related parties	17,536	17,536	17,536	-	-	-	-
	<u>17,536</u>	<u>17,536</u>	<u>17,536</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

7. 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**

Management has made an assessment of the Company's ability to continue as a going concern.

8. Administration expenses

	2023 €	2022 €
Annual levy	350	350
Auditors' remuneration - current year	1,035	1,035
Auditors' remuneration - prior years	-	921
Administration fees	2,612	2,910
Accounting fees	<u>357</u>	<u>356</u>
	<u>4,354</u>	<u>5,572</u>

9. Share capital

	2023 Number of shares	2023 €	2022 Number of shares	2022 €
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>

Authorised capital

The authorised share capital of the Company is 1,000 ordinary shares of €1 each.

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

10. Payables

	2023	2022
	€	€
Payables to ultimate beneficial owner (Note 12)	20.249	17.536
Accruals	3.033	1.392
	<u>23.282</u>	<u>18.928</u>

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

11. 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 2023 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 an action in case the crisis becomes prolonged.

JAZZ BUSINESS SOLUTIONS (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

12. Related party transactions

The Company is controlled by Jazz Business Solutions B.V., incorporated in Curacao, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

12.1 Payables to ultimate beneficial owner (Note 10)

The payables to the ultimate beneficial owner of €20,249 (31 December 2022: €17,536) were provided interest free and are repayable on demand.

13. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023.

14. Commitments

The Company had no capital or other commitments as at 31 December 2023.

15. Events after the reporting period

As explained in note 11 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 2023 which relate to new developments that occurred after the reporting period.

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

Independent auditor's report on pages 2 to 3