

JER-TEAM LTD

FINANCIAL STATEMENTS

Period from 27 June 2022 to 31 December 2022

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JER-TEAM LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Christiana Georgiou
Company Secretary:	Christiana Georgiou
Independent Auditors:	M. Papadakis & Co Chartered Accountants 1 Avlonos Street Maria House 1075, Nicosia Cyprus
Registered office:	Avlonos 1 Maria House Nicosia, Cyprus 1075
Registration number:	HE 435884

Independent Auditor's Report

To the Members of Jer-Team Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Jer-Team Ltd (the "Company"), which are presented in pages 4 to 11 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 period from 27 June 2022 to 31 December 2022, 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 period from 27 June 2022 to 31 December 2022 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 €11,026 during the period from 27 June 2022 to 31 December 2022, and, as of that date the Company's current liabilities exceeded its current assets by €6,026. 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 Jer-Team Ltd

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.

JER-TEAM LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 27 June 2022 to 31 December 2022

	Note	2022 €
Administration expenses	6	(6,776)
Other expenses	7	<u>(4,250)</u>
Net loss for the period		(11,026)
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u>(11,026)</u>

The notes on pages 8 to 11 form an integral part of these financial statements.

JER-TEAM LTD

STATEMENT OF FINANCIAL POSITION 31 December 2022

	Note	2022 €
ASSETS		
		<u>-</u>
Total assets		<u>-</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	8	5,000
Accumulated losses		<u>(11,026)</u>
Total equity		<u>(6,026)</u>
Current liabilities		
Trade and other payables	9	5,950
Payables to parent	11	<u>76</u>
		<u>6,026</u>
Total equity and liabilities		<u>-</u>

On 26 September 2023 the Board of Directors of Jer-Team Ltd authorised these financial statements for issue.



Christiana Georgiou
Director

The notes on pages 8 to 11 form an integral part of these financial statements.

JER-TEAM LTD

STATEMENT OF CHANGES IN EQUITY

Period from 27 June 2022 to 31 December 2022

	Note	Share capital €	Accumula- ed losses €	Total €
Net loss for the period		-	(11,026)	(11,026)
Transactions with owners				
Issue of share capital	8	5,000	-	5,000
Balance at 31 December 2022		5,000	(11,026)	(6,026)

The notes on pages 8 to 11 form an integral part of these financial statements.

JER-TEAM LTD

CASH FLOW STATEMENT

Period from 27 June 2022 to 31 December 2022

	2022 €
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	<u>(11,026)</u>
	(11,026)
Changes in working capital:	
Increase in trade and other payables	5,950
Increase in payables to parent	<u>76</u>
Cash used in operations	<u>(5,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital	<u>5,000</u>
Net cash generated from financing activities	<u>5,000</u>
Net increase in cash and cash equivalents	-
Cash and cash equivalents at beginning of the period	<u>-</u>
Cash and cash equivalents at end of the period	<u><u>-</u></u>

The notes on pages 8 to 11 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Period from 27 June 2022 to 31 December 2022

1. Incorporation and principal activities

Country of incorporation

The Company Jer-Team Ltd (the "Company") was incorporated in Cyprus on 27 June 2022 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Avlonos 1, Maria House, Nicosia, Cyprus, 1075.

Principal activities

The principal activity of the Company is to act as a payment agent of the parent company.

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.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 27 June 2022.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Going concern basis

The Company incurred a loss of €11,026 for the period from 27 June 2022 to 31 December 2022, and, as of that date the Company's current liabilities exceeded its current assets by €6,026. 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.

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.

JER-TEAM LTD

NOTES TO THE FINANCIAL STATEMENTS

Period from 27 June 2022 to 31 December 2022

6. Administration expenses

	2022 €
Annual levy	350
Auditors' remuneration	1,000
Other professional fees	4,403
Irrecoverable VAT	247
Administrative expenses	776
	<u>6,776</u>

7. Other expenses

	2022 €
Incorporation expenses	4,250
	<u>4,250</u>

8. Share capital

	2022 Number of shares	2022 €
Authorised		
Ordinary shares of €1 each	<u>5,000</u>	<u>5,000</u>
Issued and fully paid		
Issue of shares	<u>5,000</u>	<u>5,000</u>
Balance at 31 December	<u>5,000</u>	<u>5,000</u>

Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 27 June 2022 the Company issued to the subscribers of its Memorandum of Association 5.000- ordinary shares of €1 each at par.

9. Trade and other payables

	2022 €
Accruals	5,950
	<u>5,950</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

Period from 27 June 2022 to 31 December 2022

10. 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 of additional measures as a fall-back plan in case the crisis becomes prolonged.

11. Related party transactions

The Company is controlled by Jer-Team N.V. non tax resident in Cyprus, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

11.1 Payables to related parties

Name

Jer-Team N.V.

2022

€

76

NOTES TO THE FINANCIAL STATEMENTS

Period from 27 June 2022 to 31 December 2022

12. Contingent liabilities

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

13. Commitments

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

14. Events after the reporting period

As explained in note 10 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.

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