

BIOLAND PROMITHIA LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2023



BIOLAND PROMITHIA LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2023

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BIOLAND PROMITHIA LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Demetris Constantinides Constantinos Eliopoulos Andreas Michael Irina Iracleous (Appointed 22 May 2024) Georgia Constantinou (Resigned 22 May 2024) Andria Constantinou (Resigned 22 May 2024)
Company Secretary:	Christabel Secretarial Services Limited
Independent Auditors:	G.P. Auditworld Ltd Chartered Certified Accountants 2, Inomenon Ethnon Anastasia Court, 4th floor 6042 Larnaca P.O. Box 40761
Registered office:	Eleftherias 3 Aradippou, Larnaca 7102 Cyprus
Bankers:	Hellenic Bank Public Company Ltd Astrobank Limited Eurobank Cyprus Ltd
Registration number:	HE384964

BIOLAND PROMITHIA LIMITED

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2023.

Incorporation

The Company Bioland Promithia Limited was incorporated in Cyprus on 08 June 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activity and nature of operations of the Company

The principal activity of the Company, which is unchanged from last year, is the purchase and supply electricity to end consumers as licensed participant in the electricity market.

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 considered satisfactory.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 20 of the financial statements.

Use of financial instruments by the Company

The Company is exposed to liquidity risk from the financial instruments it holds.

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. No maturity table disclosing the undiscounted cash flows of the underlying liabilities has been presented as all outstanding balances are due within 12 months and consequently their carrying amounts are representative of their contractual cash flows and the impact of discounting is not significant.

Results and Dividends

The Company's results for the year are set out on page 8.

Dividends

On 16 of January 2023 the Company in General Meeting declared the payment of a final dividend of €500,000 (2022: €1,200,000).

Share capital

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

Board of Directors

The members of the Company's Board of Directors as at 31 December 2023 and at the date of this report are presented on page 1. Ms. Georgia Constantinou and Ms. Andria Constantinou resigned on 22 May 2024 and on the same date Ms. Irina Heracleous was appointed in their place

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

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

Operating Environment of the Company

Any significant events that relate to the operating environment of the Company are described in note 20 of the financial statements.

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 24 of the financial statements.

Related party transactions

Disclosed in note 21 of the financial statements.

BIOLAND PROMITHIA LIMITED

MANAGEMENT REPORT

Independent Auditors

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

By order of the Board of Directors,



Demetris Constantinides
Director

Larnaca, 3 April 2025

Independent Auditor's Report

To the Members of Bioland Promithia Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bioland Promithia Limited (the "Company"), which are presented in pages 8 to 25 and comprise the statement of financial position as at 31 December 2023, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes of the financial statements, including material accounting policy information.

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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, 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.

Independent Auditor's Report (continued)

To the Members of Bioland Promithia Limited

Other information (continued)

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 IFRSs 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.

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.

Independent Auditor's Report (continued)

To the Members of Bioland Promithia Limited

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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:

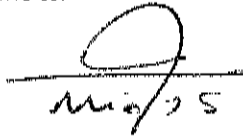
- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

Independent Auditor's Report (continued)

To the Members of Bioland Promithia 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.



George Pitziolis (FCCA)
Certified Public Accountant and Registered Auditor
for and on behalf of
G.P. Auditworld Ltd
Chartered Certified Accountants



Larnaca, 3 April 2025

BIOLAND PROMITHIA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

31 December 2023

	Note	2023 €	2022 €
Revenue	8	29,002,388	17,356,394
Cost of sales		(24,010,517)	(14,129,933)
Gross profit		4,991,871	3,226,461
Selling and distribution expenses		(69,118)	(39,890)
Administration expenses		(575,095)	(277,572)
Net impairment loss on financial and contract assets		(19,422)	-
Operating profit		4,328,236	2,908,999
Finance costs	10	(46,014)	(15,915)
Profit before tax		4,282,222	2,893,084
Tax	11	(542,066)	(366,072)
Net profit for the year		3,740,156	2,527,012
Other comprehensive income		-	-
Total comprehensive income for the year		3,740,156	2,527,012

The notes on pages 12 to 25 form an integral part of these financial statements.

BIOLAND PROMITHIA LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2023

	Note	2023 €	2022 €
ASSETS			
Non-current assets			
Property, plant and equipment	13	390	-
Intangible assets	14	<u>28,668</u>	<u>93,101</u>
		29,058	93,101
Current assets			
Trade and other receivables	15	2,789,334	1,745,725
Refundable taxes	19	19,862	-
Cash at bank and in hand	16	<u>5,741,678</u>	<u>1,125,996</u>
		8,550,874	2,871,721
Total assets		<u>8,579,932</u>	<u>2,964,822</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	20,000	20,000
Other reserves		313,268	313,268
Retained earnings		<u>4,716,125</u>	<u>1,475,969</u>
Total equity		<u>5,049,393</u>	<u>1,809,237</u>
Current liabilities			
Trade and other payables	18	3,530,539	1,117,513
Current tax liabilities	19	-	38,072
		<u>3,530,539</u>	<u>1,155,585</u>
Total equity and liabilities		<u>8,579,932</u>	<u>2,964,822</u>

On 3 April 2025 the Board of Directors of Bioland Promithia Limited authorised these financial statements for issue.


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Demetris Constantinides
Director

The notes on pages 12 to 25 form an integral part of these financial statements.

BIOLAND PROMITHIA LIMITED

STATEMENT OF CHANGES IN EQUITY

31 December 2023

	Note	Share capital €	Capital reserve €	Retained earnings €	Total €
Balance at 1 January 2022		20,000	313,268	148,957	482,225
Net profit for the year		-	-	2,527,012	2,527,012
Dividends	12	-	-	(1,200,000)	(1,200,000)
Balance at 31 December 2022/ 1 January 2023		20,000	313,268	1,475,969	1,809,237
Net profit for the year		-	-	3,740,156	3,740,156
Dividends	12	-	-	(500,000)	(500,000)
Balance at 31 December 2023		20,000	313,268	4,716,125	5,049,393

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 12 to 25 form an integral part of these financial statements.

BIOLAND PROMITHIA LIMITED

CASH FLOW STATEMENT

31 December 2023

	Note	2023 €	2022 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		4,282,222	2,893,084
Adjustments for:			
Depreciation of property, plant and equipment	13	43	-
Amortisation of computer software	14	103,433	90,408
Impairment charge on cash and cash equivalents	16	19,422	-
Interest expense	10	-	3,090
		4,405,120	2,986,582
Changes in working capital:			
Increase in trade and other receivables		(1,043,609)	(699,969)
Increase/(Decrease) in trade and other payables		2,413,026	(789,131)
Cash generated from operations		5,774,537	1,497,482
Tax paid		(600,000)	(352,115)
Net cash generated from operating activities		5,174,537	1,145,367
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	14	(39,000)	(8,000)
Payment for purchase of property, plant and equipment	13	(433)	-
Net cash used in investing activities		(39,433)	(8,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		-	(3,090)
Dividends paid		(500,000)	(1,200,000)
Net cash used in financing activities		(500,000)	(1,203,090)
Net increase/(decrease) in cash and cash equivalents		4,635,104	(65,723)
Cash and cash equivalents at beginning of the year		1,125,996	1,191,719
Impairment charge on cash and cash equivalents		(19,422)	-
Cash and cash equivalents at end of the year	16	5,741,678	1,125,996

The notes on pages 12 to 25 form an integral part of these financial statements.

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

1. Incorporation and principal activities

Country of incorporation

The Company Bioland Promithia Limited (the "Company") was incorporated in Cyprus on 08 June 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Eleftherias 3, Aradippou, Larnaca, 7102, Cyprus.

Principal activity

The principal activity of the Company, which is unchanged from last year, is the purchase and supply electricity to end consumers as licensed participant in the electricity market.

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 (IFRSs) 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. Material accounting policy information

The material 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.

Management seeks not to reduce the understandability of these financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

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.

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

4. Material accounting policy information (continued)

Revenue (continued)

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 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).

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.

- **Sale of goods**

Sales of goods are recognised at the point in time when the Company satisfies its performance obligation by transferring control over the promised goods to the customer, which is usually when the goods are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the goods.

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. 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.

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.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

4. Material accounting policy information (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Furniture, fixtures and office equipment	10

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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.

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

4. Material accounting policy information (continued)

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.

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 - 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).

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

4. Material accounting policy information (continued)

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.

Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

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.

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

4. Material accounting policy information (continued)

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.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

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. Financial risk management

Financial risk factors

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

6.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

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. No maturity table disclosing the undiscounted cash flows of the underlying liabilities has been presented as all outstanding balances are due within 12 months and consequently their carrying amounts are representative of their contractual cash flows and the impact of discounting is not significant.

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

6. Financial risk management (continued)

6.3 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

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.

- **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 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.

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

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

• 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.

• 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.

8. Revenue

Disaggregation of revenue

	2023	2022
	€	€
Credit sales	<u>29,002,388</u>	<u>17,356,394</u>
	29,002,388	17,356,394

9. Staff costs

	2023	2022
	€	€
Salaries	1,200	1,200
Social security costs	120	120
GHS contribution	35	35
Social cohesion fund	24	24
	<u>1,379</u>	<u>1,379</u>
Average number of employees (including Directors in their executive capacity)	<u>1</u>	<u>1</u>

10. Finance costs

	2023	2022
	€	€
Interest expense	-	3,090
Sundry finance expenses	<u>46,014</u>	<u>12,825</u>
Finance costs	46,014	15,915

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

11. Tax

	2023	2022
	€	€
Corporation tax	<u>542,066</u>	366,072
Charge for the year	<u>542,066</u>	<u>366,072</u>

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

	2023	2022
	€	€
Profit before tax	<u>4,282,222</u>	<u>2,893,084</u>
Tax calculated at the applicable tax rates	535,278	361,636
Tax effect of expenses not deductible for tax purposes	19,835	-
Tax effect of allowances and income not subject to tax	<u>(13,047)</u>	4,436
Tax charge	<u>542,066</u>	<u>366,072</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (reduced to 17% as of 1 January 2024). 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.

12. Dividends

	2023	2022
	€	€
Final dividend paid	<u>500,000</u>	1,200,000
	<u>500,000</u>	<u>1,200,000</u>

On 16 of January 2023 the Company in General Meeting declared the payment of a final dividend of €500,000 (2022: €1,200,000).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. Dividends are also subject to a 2,65% contribution to the General Healthcare System.

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

13. Property, plant and equipment

	Furniture, fixtures and office equipment €
Cost	
Additions	<u>433</u>
Balance at 31 December 2023	<u>433</u>
Depreciation	
Charge for the year	<u>43</u>
Balance at 31 December 2023	<u>43</u>
Net book amount	
Balance at 31 December 2023	<u>390</u>

14. Intangible assets

	Computer software €
Cost	
Balance at 1 January 2022	263,250
Additions	<u>8,000</u>
Balance at 31 December 2022/ 1 January 2023	271,250
Additions	<u>39,000</u>
Balance at 31 December 2023	<u>310,250</u>
Amortisation	
Balance at 1 January 2022	87,741
Amortisation for the year	<u>90,408</u>
Balance at 31 December 2022/ 1 January 2023	178,149
Amortisation for the year	<u>103,433</u>
Balance at 31 December 2023	<u>281,582</u>
Net book amount	
Balance at 31 December 2023	<u>28,668</u>
Balance at 31 December 2022	<u>93,101</u>

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

15. Trade and other receivables

	2023	2022
	€	€
Trade receivables	2,155,386	1,389,221
Less: credit loss on trade receivables	<u>(55,000)</u>	<u>(32,385)</u>
Trade receivables - net	2,100,386	1,356,836
Receivables from other related parties (Note 21.3)	647,549	358,094
Deposits and prepayments	41,399	18,795
Guarantees	-	12,000
	<u>2,789,334</u>	<u>1,745,725</u>

The Company has recognised a loss of €22,615 (2022: €32,385) for the impairment of its trade receivables during the year ended 31 December 2023. The loss has been included in selling and distribution costs in profit or loss.

The Company does not hold any collateral over the trading balances.

Movement in provision for impairment of receivables:

	2023	2022
	€	€
Balance at 1 January	32,385	-
Impairment losses recognised on receivables	<u>22,615</u>	<u>32,385</u>
Balance at 31 December	<u>55,000</u>	<u>32,385</u>

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

16. Cash at bank and in hand

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2023	2022
	€	€
Cash at bank	5,761,100	1,125,996
Accumulated impairment losses on cash and cash equivalents	<u>(19,422)</u>	<u>-</u>
	<u>5,741,678</u>	<u>1,125,996</u>

17. Share capital

	2023	2023	2022	2022
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Issued and fully paid				
Balance at 1 January	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Balance at 31 December	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

18. Trade and other payables

	2023	2022
	€	€
Trade payables	1,662,799	836,052
Prepayments from clients	309,500	-
VAT	107,304	114,058
Accruals	694,972	167,403
Temporary tax due	300,000	-
Payables to other related parties (Note 21.4)	455,964	-
	<u>3,530,539</u>	<u>1,117,513</u>

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

19. (Refundable) taxes/current tax liabilities

	2023	2022
	€	€
Corporation tax	<u>(19,862)</u>	<u>38,072</u>
	<u>(19,862)</u>	<u>38,072</u>

We were not able to carry out auditing procedures in relation to tax calculations because transfer pricing study was not implemented by the company.

20. 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 Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Company is not directly exposed. Management will continue to monitor the situation closely and take appropriate actions when and if needed.

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.

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

20. Operating Environment of the Company (continued)

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 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.

21. Related party transactions

The following transactions were carried out with related parties:

21.1 Directors' remuneration

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

	2023	2022
	€	€
Directors' remuneration	<u>1,200</u>	<u>1,200</u>

21.2 Purchases of goods and services

	2023	2022
	€	€
Gree. Sol. En. limited	Trade	830,519
Bioland Project 19 Limited	Trade	-
Bioland Project 24 Limited	Trade	-
Bioland Project 27 Limited	Trade	802,577
Bioland Project 31 Limited	Trade	-
Bioland Project 35 Limited	Trade	149,982
Bioland Project 36 Limited	Trade	-
Bioland Project 45 Limited	Trade	-
Bioland Project 53 Limited	Trade	-
Bioland Project 55 Limited	Trade	-
	<u>4,134,601</u>	<u>1,783,078</u>

21.3 Receivables from related parties (Note 15)

	2023	2022
	€	€
Bioland Energy limited	Finance	107,943
Bioland Energy (Cyprus) limited	Finance	250,151
Bioland Power Ltd	Finance	-
	<u>5,000</u>	<u>-</u>
	<u>647,549</u>	<u>358,094</u>

BIOLAND PROMITHIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

21. Related party transactions (continued)

21.4 Payables to related parties (Note 18)

<u>Name</u>	<u>Nature of transactions</u>	2023	2022
		€	€
Bioland Energy limited	Finance	455,964	-
		455,964	-

22. Contingent liabilities

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

23. Commitments

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

24. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

As explained in note 20 the geopolitical situation in Eastern Europe and the Middle East remains intense with the continuation of the conflict between Russia and Ukraine and the Israel-Gaza conflict. As at the date of authorising these financial statements for issue, the conflicts continue to evolve as military activity proceeds and additional sanctions are imposed.

Independent auditor's report on pages 4 to 7

BIOLAND PROMITHIA LIMITED

DETAILED INCOME STATEMENT

31 December 2023

	Page	2023 €	2022 €
Revenue			
Credit sales		29,002,388	17,356,394
Cost of sales	27	(24,010,517)	(14,129,933)
Gross profit		4,991,871	3,226,461
Operating expenses			
Administration expenses	28	(575,095)	(277,572)
Selling and distribution expenses	28	(69,118)	(39,890)
		4,347,658	2,908,999
Other operating expenses			
Credit loss on cash and cash equivalents		(19,422)	-
Operating profit		4,328,236	2,908,999
Finance costs	29	(46,014)	(15,915)
Net profit for the year before tax		4,282,222	2,893,084

BIOLAND PROMITHIA LIMITED

COST OF SALES

31 December 2023

	2023	2022
	€	€
Cost of sales		
Purchases	24,010,517	14,129,933
Closing stocks	-	-
	<u>24,010,517</u>	<u>14,129,933</u>

BIOLAND PROMITHIA LIMITED

OPERATING EXPENSES

31 December 2023

	2023	2022
	€	€
Administration expenses		
Directors' remuneration	1,200	1,200
Social security costs	120	120
GHS contribution	35	35
Social cohesion fund	24	24
Professional licence fee	28,729	30,073
Licenses and taxes	-	525
Annual levy	141	227
Sundry expenses	1,215	155
Subscriptions and contributions	1,000	-
Computer software	28,133	11,487
Auditors' remuneration - current year	7,500	5,000
Auditors' remuneration - prior years	550	-
Other professional fees	371,935	8,758
Legal and professional	1,000	1,115
Fines	114	1,479
Overseas travelling	1,130	-
Third party services	-	120,000
Declaration deviation charges	28,793	6,966
Amortisation of computer software	103,433	90,408
Depreciation	43	-
	<u>575,095</u>	<u>277,572</u>

	2023	2022
	€	€
Selling and distribution expenses		
Advertising	46,503	7,505
General provision for bad debts	22,615	32,385
	<u>69,118</u>	<u>39,890</u>

BIOLAND PROMITHIA LIMITED

FINANCE COSTS

31 December 2023

	2023 €	2022 €
Finance costs		
Interest expense		
Bank interest	-	3,090
Sundry finance expenses		
Bank charges	<u>46,014</u>	<u>12,825</u>
	<u>46,014</u>	<u>15,915</u>

BIOLAND PROMITHIA LIMITED

COMPUTATION OF WEAR AND TEAR ALLOWANCES

31 December 2023

Year	%	COST			ANNUAL ALLOWANCES			Met. value 31-Dec-23 €		
		Balance 01-Jan-23 €	Additions for the year €	Disposals for the year €	Balance 31-Dec-23 €	Charge for the year €	On disposals €		Balance 31-Dec-23 €	
2023	10	-	433	-	433	-	43	43	390	
		-	433	-	433	-	43	43	390	
Furniture, fixtures and office equipment										
2021	33	263,250	-	-	263,250	175,482	87,768	263,250	-	-
2022	33	8,000	-	-	8,000	2,666	2,666	5,332	2,668	2,668
2023	33	-	39,000	-	39,000	-	12,999	12,999	26,001	26,001
		271,250	39,000	-	310,250	178,148	103,433	281,581	28,669	28,669
Computer software										
2021										
2022										
2023										

BIOLAND PROMITHIA LIMITED

COMPUTATION OF CORPORATION TAX 31 December 2023

Net profit per income statement	Page	€	€
	26		4,282,222
<u>Add:</u>			
Benefit from transactions falling under Article 33		12,919	
Depreciation		103,476	
Credit loss on cash and cash equivalents		19,422	
General provision for bad debts		22,615	
Annual levy		141	
Fines		114	
		<u>158,687</u>	
			4,440,909
<u>Less:</u>			
Annual wear and tear allowances	30	103,476	
Benefit from transactions falling under Article 33		903	
		<u>(104,379)</u>	
Chargeable income for the year			<u><u>4,336,530</u></u>

Calculation of corporation tax

	Income	Rate	Total
	€	%	€ c
Tax at normal rates:			
Chargeable income as above	<u>4,336,530</u>	12.50	542,066.25
Tax paid provisionally	<u>4,800,000</u>		<u>(600,000.00)</u>
TAX REFUNDABLE			<u><u>(57,933.75)</u></u>