EKO ENERGY CYPRUS LTD

FINANCIAL STATEMENTS
31 December 2023

EKO ENERGY CYPRUS LTD

FINANCIAL STATEMENTS
Year ended 31 December 2023

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BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Georgios Gregoras Maria Patsalidou (appointed on 18/11/2024) Ioanna Petini (appointed on 18/11/2024) Michalis Heraclides (appointed on 18/11/2024) Alexia Trokoudi (resigned on 18/11/2024) Andreas Stratis (resigned on 18/11/2024) Ioannis Doratis (resigned on 18/11/2024)
Company Secretary	Marios Lytras
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors 10, Esperidon Street 1087 Nicosia, Cyprus
Registered office	Ellispontou 3 Strovolos 2015 Nicosia Cyprus
Bankers	Bank of Cyprus Public Company Ltd
Registration number	HE432811

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Independent Auditor's Report

To the Members of EKO ENERGY CYPRUS LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EKO ENERGY CYPRUS LTD (the "Company"), which are presented in pages 4 to 16 and comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of 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.

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.

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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.

Gabriel Onisiforou
Certified Public Accountant and Registered Auditor
for and on behalf of
Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 20/12/ 2024

EKO ENERGY CYPRUS LTD

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2023

	Note	2023 €	Period from 4 April 2022 to 31 December 2022 €
Revenue	8	**732.273**	-
Cost of sales		**(662.661)**	-
Gross profit		**69.612**	-
Administration expenses	9	**(477.873)**	(20.235)
Operating loss		**(408.261)**	(20.235)
Finance costs	10	**(2.015)**	(406)
Loss before tax		**(410.276)**	(20.641)
Tax	11	**53.865**	-
Net loss for the year		**(356.411)**	(20.641)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(356.411)**	(20.641)

EKO ENERGY CYPRUS LTD

STATEMENT OF FINANCIAL POSITION
31 December 2023

	Note	2023 €	2022 €
ASSETS			
Non-current assets			
Deferred tax assets	15	**53.865**	-
		53.865	-
Current assets			
Trade and other receivables	12	**435.927**	14.775
Cash and cash equivalents	13	**678.035**	9.140
Total assets		**1.167.827**	23.915
EQUITY AND LIABILITIES			
Equity			
Share capital	14	**200.000**	10.000
Accumulated losses		**(377.052)**	(20.641)
Total equity		**(177.052)**	(10.641)
Current liabilities			
Trade and other payables	16	**1.344.879**	34.556
		1.344.879	34.556
Total liabilities		**1.344.879**	34.556
Total equity and liabilities		**1.167.827**	23.915

On 20/12/ 2024 the Board of Directors of EKO ENERGY CYPRUS LTD authorised these financial statements for issue.

.....
Georgios Gregoras
Director

.....
Maria Patsalidou
Director

The notes on pages 8 to 16 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2023

	Note	Share capital €	Accumulated losses €	Total €
Comprehensive income				
Net loss for the year		-	(20.641)	(20.641)
Total comprehensive loss for the year		-	(20.641)	(20.641)
Transactions with owners				
Issue of share capital	14	10.000	-	10.000
Total transactions with owners		10.000	-	10.000
Balance at 31 December 2022/ 1 January 2023		**10.000**	**(20.641)**	**(10.641)**
Comprehensive income				
Net loss for the year		-	(356.411)	(356.411)
Total comprehensive loss for the year		-	(356.411)	(356.411)
Transactions with owners				
Issue of share capital	14	190.000	-	190.000
Total transactions with owners		190.000	-	190.000
Balance at 31 December 2023		**200.000**	**(377.052)**	**(177.052)**

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, from 2019 (deemed dividend distribution of year 2017 profits), 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.

EKO ENERGY CYPRUS LTD

STATEMENT OF CASH FLOWS
Year ended 31 December 2023

	Note	2023 €	Period from 4 April 2022 to 31 December 2022 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(410.276)**	(20.641)
		(410.276)	(20.641)
Changes in working capital:			
Increase in trade and other receivables		**(421.152)**	(14.775)
Increase in trade and other payables		**1.310.323**	34.556
Cash generated from/(used in) operations		**478.895**	(860)
CASH FLOWS FROM INVESTING ACTIVITIES		**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**190.000**	10.000
Net cash generated from financing activities		**190.000**	10.000
Net increase in cash and cash equivalents		**668.895**	9.140
Cash and cash equivalents at beginning of the year		**9.140**	-
Cash and cash equivalents at end of the year	**13**	**678.035**	9.140

The notes on pages 8 to 16 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2023

1. Corporate information

Country of incorporation

Eko Energy Cyprus Limited (the "Company") was incorporated in Cyprus on 4 April 2022 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Ellispontou 3, Strovolos, 2015 Nicosia, Cyprus.

Principal activities

The principal activities of the Company is the trading of electricity, as a supplier fully member of CERA (Cyprus Energy Regulatory Authority). At the end of 2023, EKO Energy Cyprus Ltd commenced trading, through an agreement with the two photovoltaics parks, which are under the Group's ownership, currently in operation in Nicosia, with a total capacity of 15 MW.

Operating Environment of the Company

Geopolitical tensions are increasingly giving rise to economic and financial fragmentation and pose a significant risk to economies and global prosperity. A world divided along geopolitical lines would be more prone to adverse supply shocks and reduced trade, possibly leading to higher inflation and lower welfare. There is also a greater deployment of trade-restrictive measures, including sanctions, targeted at sectors considered strategically important for fuel supply but also for technological progress and the green transition. The main concern at the moment for Cyprus is the rise of inflation, the uncertainty mainly about tourism and financial services and the increase in the price of fuel, which affect household incomes and business operating costs.

The Company's management has taken note of global awareness and concerns about the potential impact of climate related matters. Climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. The Company is involved in the energy sector and is therefore potentially faced with relevant challenges; even though climate related risks might not currently have a significant impact on measurement, the Company is closely monitoring relevant changes and developments such as new climate related legislation.

The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business, economic and regulatory environment on a stand-alone basis; notwithstanding this, the Company is part of Helleniq Energy group of Greece and therefore it is part of the Helleniq group's business and operating profile. Further information on the Helleniq Energy group's strategies and development as well as of the operational and financial risks it faces, including climate-related matters, can be found in its 2023 Annual Financial Report, at www.helleniqenergy.gr.

Climate issues

Climate-related risks do not currently bear any significant impact on the valuation of assets and liabilities.

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. Summary of material accounting policies

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.

Revenue

Recognition and measurement

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

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

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

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

Revenue consists of the fair value of the consideration received or receivable from the sale of goods and the provision of services in the ordinary course of the Company's business. Revenue from contracts with customers is recognized when control of the goods and services is transferred to the customer for an amount that reflects the consideration that the Company expects to receive in return for the provision of the goods and services. Control of the goods and services provided is transferred to the customer upon delivery of the good or service. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably.

Income from recharge of expenses

Income is recognized in the accounting period in which the expenses that are recharged are recognized.

Revenue from Sale of Electricity

Revenue from electricity sales is recognized based on the monthly electricity output expressed in MWh that is sold by the Company to its customers and is certified by the Transmission System Operator of Cyprus.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

4. Summary of material accounting policies (continued)

Tax

Income tax expense represents the sum of the tax currently payable and deferred 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.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

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.

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value, and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities. Cash and cash equivalents are held at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, AND (ii) they are not designated as FVTPL.

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.

4. Summary of material accounting policies (continued)

Trade and other payables

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

Share capital

Ordinary and preference shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

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 objectives and policies

Financial risk factors
The Company is exposed to credit 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 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents.

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.

6.3 Capital risk management
Capital includes equity shares.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions, in order 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. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's overall objectives, policies and processes remain unchanged from last year.

6.4 Other risks
The general economic environment prevailing in Cyprus and internationally may affect the Company's operations to a great extent. Economic conditions such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Company.

Product price fluctuation risk
The Energy Charge per kWh is based on the energy price of the Wholesale Tariff T-W and the basic price of RES purchases for the relevant year.

In each monthly period, the price of unit (kWh) charged shall be increased or decreased by the value of the Coefficient of Fuel Adjustment currently in force, for every 1 cent increase or decrease in the basic price of €300 per metric tonne of fuel cost, which cost shall be defined by EAC for the monthly period, based on the purchase price of fuel.

The Coefficient of Fuel Adjustment is revised on a six-month period basis, according to the Cyprus Energy Regulatory Authority's Decisions. Its current price is published on EAC's website.

7. Critical accounting estimates, judgments and assumptions

The preparation of the Company's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments
In the process of applying the Company's accounting policies, Management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the financial statements:

- **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.
- **Recovery of deferred tax assets**
  Deferred tax assets include amounts related to cumulative tax losses and may be offset against taxable profits within the next five years. The Company makes assumptions about whether these deferred tax assets can be recovered, using the estimated future taxable income according to the approved business plan and the Company's budget.

8. Revenue

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

Disaggregation of revenue	**2023**	Period from 4 April 2022 to 31 December 2022
	€	€
Sales of electricity	**732.273**	-
	732.273	-

9. Administration expenses

	2023	Period from 4 April 2022 to 31 December 2022
	€	€
Annual levy	**350**	350
Insurance	**7.802**	-
Telephone and postage	**678**	-
Staff training	**-**	2.500
Computer software	**24.070**	11.550
Auditor's remuneration	**5.025**	3.900
Other professional fees	**399.948**	1.935
Management fees	**40.000**	-
	477.873	20.235

Professional fees related mainly to consulting and legal services from third parties relating to new business.

10. Finance costs

	2023 €	Period from 4 April 2022 to 31 December 2022 €
Bank charges	**2.015**	406
	2.015	406

11. Tax

	2023 €	Period from 4 April 2022 to 31 December 2022 €
Deferred tax - credit (Note 15)	**(53.865)**	-
Credit for the year	**(53.865)**	-

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

	2023 €	Period from 4 April 2022 to 31 December 2022 €
Loss before tax	**(410.276)**	(20.641)
Tax calculated at the applicable tax rates	**(51.285)**	(2.580)
Tax effect of allowances and income not subject to tax	**-**	2.580
Tax effect of tax loss for the year	**51.285**	-
Deferred tax	**(53.865)**	-
Tax charge	**(53.865)**	-

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.