

CPI HOLDINGS PUBLIC LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2022

CPI HOLDINGS PUBLIC LIMITED

REPORT AND FINANCIAL STATEMENTS 31 December 2022

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CPI HOLDINGS PUBLIC LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

| | |
|------------------------------|--|
| Board of Directors: | Alkis Loizidis Madlen Koleva Darin Simeonov Emilia Christodoulou - (Executive director) |
| Company Secretary: | Global Capital Securities & Financial Services Ltd |
| Independent Auditors: | Accountrix Limited Certified Public Accountants and Registered Auditors 34 Petrou Tsirou Office 1, 3075 Limassol Cyprus |
| Registered office: | Archiepiskopou Makariou III, 50 1065 Nicosia Cyprus |
| Registration number: | HE8306 |

CPI HOLDINGS PUBLIC LIMITED

MANAGEMENT REPORT

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

Incorporation

The Company CPI Holdings Public Limited was incorporated in Cyprus on 12 August 1976 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Company

The principal activities of the Group, is the acquisition of investments in companies.

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

The results of this year are not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses. Despite the loss this year the Company's development to date and the financial position as reflected in the financial statements are satisfactory.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 15 of the financial statements.

Liquidity risk

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

Results

The Company's results for the year are set out on page 9. The net loss for the year is carried forward.

Share capital

There were no changes in the share capital of the Company during 2022.

Implementation and compliance to the Code of Corporate Governance

The Company recognises the importance of implementing sound corporate governance policies, practices and procedures. As a company listed on the Cyprus Stock Exchange (CSE), CPI Holdings Public Limited has adopted in part CSE's Corporate Governance Code and applies its principles.

In March 2006 the CSE issued a revised Code of Corporate Governance. The Company complies with several provisions of the revised Code

Board of Directors

The members of the Company's Board of Directors as at 31 December 2022 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2022.

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.

CPI HOLDINGS PUBLIC LIMITED

MANAGEMENT REPORT

Independent Auditors

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

By order of the Board of Directors,



Global Capital Securities & Financial Services Ltd
Secretary

Limassol, 20 February 2023

CPI HOLDINGS PUBLIC LIMITED

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the financial statements of CPI Holdings Public Limited (the "Company") for the year ended 31 December 2022, on the basis of our knowledge, declare that:


(a) The annual financial statements of the Company which are presented on pages 9 to 19:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Company and the entities included in the financial statements as a whole and

b) The management report provides a fair view of the developments and the performance as well as the financial position of the Company as a whole, together with a description of the main risks and uncertainties which they face.

Members of the Board of Directors:



Emilia Christodoulou - (Executive director)



Alkis Loizidis

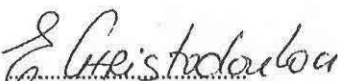


Madlen Koleva



Darin Simeonov

Responsible for drafting the financial statements



Emilia Christodoulou

Limassol, 20 February 2023



Independent Auditor's Report

To the Members of CPI Holdings Public Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CPI Holdings Public Limited (the "Company"), which are presented in pages 9 to 19 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We remained independent of the Company throughout the period of our appointment 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 €20,364 during the year ended 31 December 2022, and, as of that date the Company's current liabilities exceeded its current assets by €8,609. 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.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, the Corporate Governance Statement, 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 CPI Holdings Public Limited

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 and those charged with governance 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the those charged with governance 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.



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Independent Auditor's Report (continued)

To the Members of CPI Holdings Public Limited

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company on 1 March 2021 by the company's Board of Directors. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 3 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 1 February 2023 in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Company and which have not been disclosed in the financial statements or the Management Report.

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.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the Management Report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and is consistent with the financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- 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 corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.



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Independent Auditor's Report (continued)

To the Members of CPI Holdings Public 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 Article 10(1) of the EU Regulation 537/2014 and 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.

The engagement partner on the audit resulting in this independent auditor's report is Pantelis Georgiou.

 **ACCOUNTRIC LIMITED**
CHARTERED ACCOUNTANTS

Pantelis Georgiou
Certified Public Accountant and Registered Auditor
for and on behalf of
Accountronic Limited
Certified Public Accountants and Registered Auditors

Limassol, 20 February 2023

CPI HOLDINGS PUBLIC LIMITED

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

| | Note | 2022 € | 2021 € |
|--|----------|------------------------|-----------------|
| Administration expenses | | <u>(20,364)</u> | <u>(47,201)</u> |
| Operating loss | 8 | <u>(20,364)</u> | <u>(47,201)</u> |
| Finance costs | | <u>-</u> | <u>(112)</u> |
| Net finance costs | 10 | <u>-</u> | <u>(112)</u> |
| Net loss for the year | | <u>(20,364)</u> | <u>(47,313)</u> |
| Other comprehensive income | | <u>-</u> | <u>-</u> |
| Total comprehensive income for the year | | <u>(20,364)</u> | <u>(47,313)</u> |

The notes on pages 13 to 19 form an integral part of these financial statements.

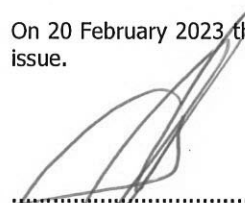
CPI HOLDINGS PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION

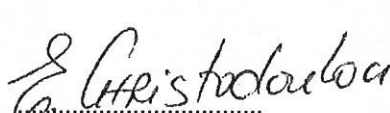
31 December 2022

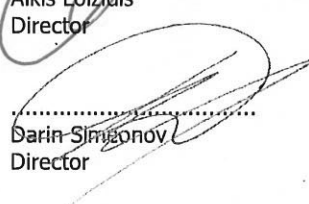
| | Note | 2022 € | 2021 € |
|-------------------------------------|------|---------------------|---------------------|
| ASSETS | | | |
| Current assets | | | |
| Refundable taxes | 14 | <u>371</u> | <u>371</u> |
| | | <u>371</u> | <u>371</u> |
| Total assets | | <u>371</u> | <u>371</u> |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 11 | 4,165,335 | 4,165,335 |
| Share premium | | 14,690,929 | 14,690,929 |
| Accumulated losses | | <u>(18,935,747)</u> | <u>(18,915,383)</u> |
| Total equity | | <u>(79,483)</u> | <u>(59,119)</u> |
| Non-current liabilities | | | |
| Borrowings | 12 | <u>70,874</u> | <u>28,571</u> |
| | | <u>70,874</u> | <u>28,571</u> |
| Current liabilities | | | |
| Trade and other payables | 13 | <u>8,980</u> | <u>30,919</u> |
| | | <u>8,980</u> | <u>30,919</u> |
| Total liabilities | | <u>79,854</u> | <u>59,490</u> |
| Total equity and liabilities | | <u>371</u> | <u>371</u> |

On 20 February 2023 the Board of Directors of CPI Holdings Public Limited authorised these financial statements for issue.


.....
Alkis Loizidis
Director


.....
Madlen Koleva
Director


.....
Emilia Christodoulou
Director


.....
Darin Simionov
Director

The notes on pages 13 to 19 form an integral part of these financial statements.

CPI HOLDINGS PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY 31 December 2022

| | Share capital € | Share premium € | Accumula- ted losses € | Total € |
|--|-----------------------|-----------------------|------------------------------|-----------------|
| Balance at 1 January 2021 | 4,165,335 | 14,690,929 | (18,868,070) | (11,806) |
| Net loss for the year | - | - | (47,313) | (47,313) |
| Balance at 31 December 2021/ 1 January 2022 | 4,165,335 | 14,690,929 | (18,915,383) | (59,119) |
| Net loss for the year | - | - | (20,364) | (20,364) |
| Balance at 31 December 2022 | 4,165,335 | 14,690,929 | (18,935,747) | (79,483) |

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 13 to 19 form an integral part of these financial statements.

CPI HOLDINGS PUBLIC LIMITED

CASH FLOW STATEMENT

31 December 2022

| | 2022 € | 2021 € |
|---|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | <u>(20,364)</u> | <u>(47,313)</u> |
| | (20,364) | (47,313) |
| Changes in working capital: | | |
| (Decrease)/increase in trade and other payables | <u>(21,939)</u> | <u>18,670</u> |
| Cash used in operations | <u>(42,303)</u> | <u>(28,643)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | <u>-</u> | <u>-</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | <u>42,303</u> | <u>28,571</u> |
| Net cash generated from financing activities | <u>42,303</u> | <u>28,571</u> |
| Net decrease in cash and cash equivalents | - | (72) |
| Cash and cash equivalents at beginning of the year | <u>-</u> | <u>72</u> |
| Cash and cash equivalents at end of the year | <u>-</u> | <u>-</u> |

The notes on pages 13 to 19 form an integral part of these financial statements.

CPI HOLDINGS PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

1. Incorporation and principal activities

Country of incorporation

The Company CPI Holdings Public Limited (the "Company") was incorporated in Cyprus on 12 August 1976 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Archepiskopou Makariou III, 50, 1065, Nicosia, Cyprus.

Principal activities

The principal activities of the Group, is the acquisition of investments in companies.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113. The financial statements have been prepared under the historical cost convention.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The Company incurred a loss of €20,364 for the year ended 31 December 2022, and, as of that date the Company's current liabilities exceeded its current assets by €8,609. The Company is dependent upon the continuing financial support of its shareholders 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 shareholders have indicated their 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.

Segmental reporting

The Company is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Company operates only in Cyprus and for this reason operations are not analysed by geographical segment.

Finance costs

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

Share capital

Ordinary 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.

CPI HOLDINGS PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

6. Financial risk management

Financial risk factors

The Company is exposed to liquidity risk but the Company didn't have any use of financial instruments. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Liquidity risk

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

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

| 31 December 2022 | Carrying amounts € | Contractual cash flows € | 3 months or less € | 3-12 months € | 1-2 years € | 2-5 years € | More than 5 years € |
|--------------------------|-----------------------|-----------------------------|-----------------------|------------------|----------------|----------------|------------------------|
| Trade and other payables | 608 | 608 | - | 608 | - | - | - |
| Loans from shareholders | 70,874 | 70,874 | - | - | - | 70,874 | - |
| | 71,482 | 71,482 | - | 608 | - | 70,874 | - |

| 31 December 2021 | Carrying amounts € | Contractual cash flows € | 3 months or less € | 3-12 months € | 1-2 years € | 2-5 years € | More than 5 years € |
|--------------------------|-----------------------|-----------------------------|-----------------------|------------------|----------------|----------------|------------------------|
| Trade and other payables | 22,828 | 22,828 | - | 22,828 | - | - | - |
| Loans from shareholders | 28,571 | 28,571 | - | - | - | 28,571 | - |
| | 51,399 | 51,399 | - | 22,828 | - | 28,571 | - |

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.

CPI HOLDINGS PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

The Directors judge that it is appropriate to prepare the financial statements on the going concern basis.

8. Operating loss

| | 2022 € | 2021 € |
|--|--------------|--------------|
| Operating loss is stated after charging the following items: | | |
| Staff costs (Note 9) | - | 12,000 |
| Auditors' remuneration | <u>8,371</u> | <u>8,092</u> |

9. Staff costs

| | 2022 € | 2021 € |
|----------|-----------|---------------|
| Salaries | <u>-</u> | <u>12,000</u> |
| | <u>-</u> | <u>12,000</u> |

10. Finance costs

| | 2022 € | 2021 € |
|-------------------------|-----------|------------|
| Sundry finance expenses | <u>-</u> | <u>112</u> |
| Finance costs | <u>-</u> | <u>112</u> |

11. Share capital

| | 2022 Number of shares | 2022 € | 2021 Number of shares | 2021 € |
|-------------------------------|-----------------------------|-------------------|-----------------------------|-------------------|
| Authorised | | | | |
| Ordinary shares of €1 each | <u>150,000,000</u> | <u>25,500,000</u> | <u>150,000,000</u> | <u>25,500,000</u> |
| Issued and fully paid | | | | |
| Balance at 1 January | <u>24,378,620</u> | <u>4,165,335</u> | <u>24,378,620</u> | <u>4,165,335</u> |
| Balance at 31 December | <u>24,378,620</u> | <u>4,165,335</u> | <u>24,378,620</u> | <u>4,165,335</u> |

CPI HOLDINGS PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

12. Borrowings

| | 2022 € | 2021 € |
|-------------------------------|---------------|---------------|
| Non-current borrowings | | |
| Loans from Directors | <u>70,874</u> | <u>28,571</u> |

Maturity of non-current borrowings:

| | 2022 € | 2021 € |
|----------------------------|---------------|---------------|
| Between two and five years | <u>70,874</u> | <u>28,571</u> |

13. Trade and other payables

| | 2022 € | 2021 € |
|-----------------|--------------|---------------|
| Accruals | 8,372 | 8,091 |
| Other creditors | <u>608</u> | <u>22,828</u> |
| | <u>8,980</u> | <u>30,919</u> |

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

14. Refundable taxes

| | 2022 € | 2021 € |
|-----------------|--------------|--------------|
| Corporation tax | <u>(371)</u> | <u>(371)</u> |
| | <u>(371)</u> | <u>(371)</u> |

15. 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.

CPI HOLDINGS PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

15. 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 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's current lack of business activities limits direct exposure to Russia, Ukraine, and Belarus, and therefore 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.

16. Related party transactions

The following transactions were carried out with related parties:

16.1 Directors' remuneration

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

| | 2022 | 2021 |
|-----------------|----------|---------------|
| | € | € |
| Directors' fees | - | 12,000 |
| | <u>-</u> | <u>12,000</u> |

16.2 Loans from Directors (Note 12)

| | 2022 | 2021 |
|----------------------|---------------|---------------|
| | € | € |
| Emilia Christodoulou | 70,874 | 28,571 |
| | <u>70,874</u> | <u>28,571</u> |

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

CPI HOLDINGS PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

17. Participation of Directors in the company's share capital

The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors (in accordance with Article (4) (b) of the Directive DI 190-2007-04), as at 31 December 2022 and 15 February 2023 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

| | 31 December 2022 | 15 February 2023 |
|-----------------------|---------------------|---------------------|
| | % | % |
| Darin Ivanov Simeonov | 24 | 24 |

The shareholding interest of Mr. Darin Ivanov Simeonov includes his direct participation with a percentage of 24%, of the company CPI Holdings Public Ltd, of which he is one of the primary shareholders.

18. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 31 December 2022 and 8 February 2023 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

| | 31 December 2022 | 15 February 2023 |
|---|---------------------|---------------------|
| | % | % |
| A.L. ProChoice Secretarial Services Ltd | 7 | 7 |
| Koleva Madlen | 7 | 7 |
| Christofis Christodoulou | 24 | 24 |
| Chavdar Solakov | 24 | 24 |
| Darin Ivanov Simeonov | 24 | 24 |

On 30 December 2022 the shareholder structure changed as follows:

5,815,510 shares held by Krasimora Toshkova Ralitsa, 5,815,500 shares held by Petrov Krasimir Petrov and 5,814,850 shares held by Hristev Shilev Nedyalko were all transferred to Christofis Christodoulou with 5,818,510 shares, Darin Ivanov Simeonov with 5,815,500 shares and Chavdar Solakov with 5,814,850 shares.

19. Significant agreements with management

At the end of the year, no significant agreements existed between the Company and its Management.

20. Contingent liabilities

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

21. Commitments

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

22. 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 15 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.

CPI HOLDINGS PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 December 2022

Independent auditor's report on pages 5 to 8

CPI HOLDINGS PUBLIC LIMITED

DETAILED INCOME STATEMENT

31 December 2022

| | Page | 2022 € | 2021 € |
|---|------|------------------------|-----------------|
| Revenue | | | |
| Operating expenses | | | |
| Administration expenses | 21 | <u>(20,364)</u> | (47,201) |
| Operating loss | | (20,364) | (47,201) |
| Finance costs | 22 | <u>-</u> | (112) |
| Net loss for the year before tax | | <u>(20,364)</u> | <u>(47,313)</u> |

CPI HOLDINGS PUBLIC LIMITED

SELLING AND DISTRIBUTION EXPENSES

31 December 2022

| | 2022 € | 2021 € |
|--------------------------------|---------------|---------------|
| Administration expenses | | |
| Directors' fees | - | 12,000 |
| Auditors' remuneration | 8,371 | 8,092 |
| Accounting fees | 798 | - |
| Other professional fees | 1,391 | 1,458 |
| Registrar fees | - | 949 |
| Stock Exchange fee expenses | 6,354 | 18,977 |
| Securities exchange expenses | 3,100 | 5,375 |
| Annual Government levy | 350 | 350 |
| | <u>20,364</u> | <u>47,201</u> |

CPI HOLDINGS PUBLIC LIMITED

FINANCE COSTS

31 December 2022

| | 2022 € | 2021 € |
|--------------------------------|-----------|------------|
| Finance costs | | |
| Sundry finance expenses | | |
| Bank charges | - | 112 |
| | <u>-</u> | <u>112</u> |