

AEONIC SECURITIES C.I.F. PLC

UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

AEONIC SECURITIES C.I.F. PLC

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AEONIC SECURITIES C.I.F. PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Alexandros Sinos
Serafeim Charalampidis
Stephanos Kazantzis
Evangelos Drympetas
Gloria Chrysafi

Company Secretary:

Gloria Chrysafi

Independent Auditors:

C&N Auditors Ltd
CERTIFIED PUBLIC ACCOUNTANTS - CY
10 Yianni Kranidioti
2nd Floor
Office 201
1065 Nicosia, Cyprus

Registered office:

Laiou 6
Anna City Court Block B, Flat 301
3015 Limassol
Cyprus

Registration number:

HE 304867

AEONIC SECURITIES C.I.F. PLC

UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2022 to 30 June 2022

	Note	30/06/2022 €	30/06/2021 €
Revenue	8	167,649	162,599
Cost of sales	9	<u>(80,891)</u>	<u>(79,069)</u>
Gross profit		86,758	83,530
Other operating income	10	6,752	12,268
Selling and distribution expenses	11	(4,221)	(2,118)
Administration expenses	12	(128,251)	(110,346)
Other expenses	13	<u>-</u>	<u>(1,940)</u>
Operating loss		(38,962)	(18,606)
Finance costs	14	<u>(2,971)</u>	<u>(3,618)</u>
Net loss for the period		(41,933)	(22,224)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>(41,933)</u>	<u>(22,224)</u>


The notes on pages 6 to 22 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

UNAUDITED STATEMENT OF FINANCIAL POSITION 30 June 2022

	Note	2022 €	2021 €
ASSETS			
Non-current assets			
Property, plant and equipment	15	6,414	7,806
Right-of-use assets	16	6,167	12,735
Investors' Compensation Fund	19	86,690	83,505
		<u>99,271</u>	<u>104,046</u>
Current assets			
Trade and other receivables	18	723,857	1,057,119
Non-pledged financial assets at fair value through profit or loss		-	51,710
Cash at bank and in hand	20	55,390	31,220
		<u>779,247</u>	<u>1,140,049</u>
Total assets		<u>878,518</u>	<u>1,244,095</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	21	600,000	600,000
Accumulated losses		(355,596)	(330,886)
Total equity		<u>244,404</u>	<u>269,114</u>
Current liabilities			
Trade and other payables	22	627,934	957,012
Lease liabilities		345	12,134
Current tax liabilities	23	5,835	5,835
		<u>634,114</u>	<u>974,981</u>
Total equity and liabilities		<u>878,518</u>	<u>1,244,095</u>

On 27 September 2022 the Board of Directors of AEONIC SECURITIES C.I.F. PLC authorised these financial statements for issue.


.....
Alexandros Sinos
Director




.....
Serafeim Charalampidis
Director

The notes on pages 6 to 22 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

UNAUDITED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2022 to 30 June 2022

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2021	600,000	(308,662)	291,338
Comprehensive income			
Net loss for the period	-	(22,224)	(22,224)
Total comprehensive income for the period	-	(22,224)	(22,224)
Balance at 30 June 2021	600,000	(330,886)	269,114
Balance at 1 January 2022 as previously reported	600,000	(330,886)	269,114
Balance 01/07/2021-31/12/2021	-	17,223	17,223
Balance at 1 January 2022	600,000	(313,663)	286,337
Comprehensive income			
Net loss for the period	-	(41,933)	(41,933)
Total comprehensive income for the period	-	(41,933)	(41,933)
Balance at 30 June 2022	600,000	(355,596)	244,404

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The balance of accumulated losses as at 30 June 2020 is not in accordance with the balance of the accumulated losses as at 1st of January 2021 as the net profit of the second semester of 2020 which amounts to €41,936 is not included.

The notes on pages 6 to 22 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

UNAUDITED CASH FLOW STATEMENT

Period from 1 January 2022 to 30 June 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(41,933)	(22,224)
Adjustments for:			
Depreciation of property, plant and equipment	15	-	997
Interest expense	14	73	314
		(41,860)	(20,913)
Changes in working capital:			
Decrease in trade and other receivables		333,262	626,136
Decrease/(increase) in financial assets at fair value through profit or loss		51,710	(51,710)
Decrease in trade and other payables		(329,078)	(612,124)
Cash generated from/(used in) operations		14,034	(58,611)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of other assets	19	(3,185)	-
Net cash used in investing activities		(3,185)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of leases liabilities		(11,789)	(11,199)
Interest paid		(73)	(314)
Cash flow movement 01/07/2021-31/12/2021		25,183	-
Net cash generated from/(used in) financing activities		13,321	(11,513)
Net increase/(decrease) in cash and cash equivalents		24,170	(70,124)
Cash and cash equivalents at beginning of the period		31,220	101,344
Cash and cash equivalents at end of the period	20	55,390	31,220

The notes on pages 6 to 22 form an integral part of these financial statements.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

1. Incorporation and principal activities

Country of incorporation

The Company AEONIC SECURITIES C.I.F. PLC (the "Company") was incorporated in Cyprus on 19th of April 2012 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Laiou 6, Anna City Court Block B, Flat 301, 3015 Limassol, Cyprus.

Principal activities

The Company is a Cyprus Investment Firm ("C.I.F.") and in accordance with the license no.177/12 granted by the Cyprus Securities and Exchange Commission ("CySEC") on 4 September 2012.

The principal activities of the company comprise the provision of investment services, including reception and transmission of orders in relation to one or more financial instruments and execution of orders on behalf of clients in relation to one or more financial instruments.

In addition, the Company provides ancillary services, which comprise the safekeeping and administration of financial instruments, including custodianship and related services, advice to undertakings on capital structure, industrial strategy and related matters and advice and services related to mergers and the purchase of undertakings, foreign exchange services where these are connected to the provision of investment services, services related to underwriting, and investment services and activities as well as ancillary services where these are connected to the provision of investment or ancillary services.

Operating Environment of the Company

The Cypriot economy has recorded positive growth in 2017 and 2018 after overcoming the economic recession of recent years. The overall economic outlook of the economy remains favourable, however there are still downside risks emanating from the still high levels of non-performing loans, the public debt ratio, as well as possible deterioration of the external environment for Cyprus.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

The Company's Management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary. The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.

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 as modified by the revaluation of, and financial assets and financial liabilities at fair value through profit or loss and through other comprehensive income.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

3. Adoption of new or revised standards and interpretations

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

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 profit or loss and other 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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

4. Significant accounting policies (continued)

Revenue recognition (continued)

- **Rendering of services**

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

- **Commission income**

Commission income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

- **Work executed**

Work executed is recognised in the accounting period in which the work is carried out by reference to completion of the specific transaction assessed on the basis of the actual work executed provided as a proportion of the total work to be carried out.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

Finance costs

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

Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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:

	%
Motor vehicles	20
Furniture, fixtures and office equipment	10
Computer Hardware	20

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

4. Significant accounting policies (continued)

Property, plant and equipment (continued)

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.

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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

4. Significant accounting policies (continued)

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

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

From 1 January 2018, 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 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, 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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

4. Significant accounting policies (continued)

Financial assets - Classification (continued)

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).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognised and measured according to one of two approaches: general approach or simplified approach.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

4. Significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

4. Significant accounting policies (continued)

Financial assets - modification (continued)

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand. Cash and cash equivalents are carried 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 at FVTPL.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These 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.

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.

Trade payables

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

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.

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.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

4. Significant accounting policies (continued)

Trade receivables (continued)

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.

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, credit risk, liquidity risk, currency 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 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted. If customers are independently rated, these ratings are used.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

6. Financial risk management (continued)

6.2 Credit risk (continued)

(i) Risk management (continued)

Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables
- cash and cash equivalents

Trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, lease contracts and contract assets).

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Company defines default as a situation when the debtor is more than 90 days past due on its contractual payments. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets 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.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. A provision for impairment of trade receivables was established when there was objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments (more than 120 days overdue) were considered indicators that the trade receivable was impaired. The amount of the provision was the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

6. Financial risk management (continued)

6.2 Credit risk (continued)

(iii) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Company will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Company is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Company monitors the term to maturity of credit related commitments, because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

6.3 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.

6.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

6.5 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

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.

Critical judgements in applying the Company's accounting policies

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

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

- **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.

- **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.

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.

	2022	2021
	€	€
Rendering of services	3,600	1,800
Commissions receivable	<u>164,049</u>	<u>160,799</u>
	<u>167,649</u>	<u>162,599</u>

9. Cost of sales

	2022	2021
	€	€
Services received	<u>80,891</u>	<u>79,069</u>
	<u>80,891</u>	<u>79,069</u>

10. Other operating income

	2022	2021
	€	€
Exchange profit	752	1,429
Profit from operating activities- non-taxable income	-	10,837
Sundry operating income	<u>6,000</u>	<u>2</u>
	<u>6,752</u>	<u>12,268</u>

11. Selling and distribution expenses

	2022	2021
	€	€
Motor vehicle running costs	806	-
Inland travelling	<u>3,415</u>	<u>2,118</u>
	<u>4,221</u>	<u>2,118</u>

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

12. Administration expenses

	2022	2021
	€	€
Staff costs	58,038	56,058
Rent	8,933	6,000
Licenses and taxes	222	222
Electricity	1,687	725
Insurance	1,275	822
Repairs and maintenance	-	900
Sundry expenses	6,697	10,286
Telephone and postage	1,939	1,965
Subscriptions and contributions	28,783	23,963
Staff training	5,679	-
Computer supplies and maintenance	1,530	1,530
Auditors' remuneration	1,250	1,250
Accounting fees	1,200	1,200
Other professional fees	8,660	2,750
Inland travelling and accommodation	1,511	1,678
Entertaining	637	-
Motor vehicle running costs	210	-
Depreciation	-	997
	<u>128,251</u>	<u>110,346</u>

13. Other expenses

	2022	2021
	€	€
Loss from operating activities- non-allowable for tax expense	-	1,940
	<u>-</u>	<u>1,940</u>

14. Finance costs

	2022	2021
	€	€
Net foreign exchange losses	-	438
Interest expense	73	314
Sundry finance expenses	<u>2,898</u>	<u>2,866</u>
Finance costs	<u>2,971</u>	<u>3,618</u>

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

15. Property, plant and equipment

	Motor vehicles €	Furniture, fixtures and office equipment €	Total €
Cost			
Balance at 1 January 2021	43,018	32,622	75,640
Balance at 1 January 2022	43,018	32,622	75,640
Balance at 30 June 2022	43,018	32,622	75,640
Depreciation			
Balance at 1 January 2021	43,018	23,819	66,837
Charge for the period	-	997	997
Balance at 30 June 2021	43,018	24,816	67,834
Balance 01/07/2021-31/12/2021	-	1,392	1,392
Balance at 30 June 2022	43,018	26,208	69,226
Net book amount			
Balance at 30 June 2022	-	6,414	6,414
Balance at 30 June 2021	-	7,806	7,806

16. Right-of-use assets

	Land and buildings €
Cost	
Balance at 1 January 2021	72,137
Additions	(29,701)
Balance at 30 June 2021/ 1 January 2022	42,436
Balance at 30 June 2022	42,436
Depreciation	
Balance at 1 January 2021	59,401
Charge for the period	(29,700)
Balance at 30 June 2021	29,701
Balance 01/07/2021-31/12/2021	6,568
Balance at 30 June 2022	36,269
Net book amount	
Balance at 30 June 2022	6,167
Balance at 30 June 2021	12,735

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

17. Intangible assets

	Computer software €
Cost	
Balance at 1 January 2021	13,591
Balance at 30 June 2021/ 1 January 2022	13,591
Balance at 30 June 2022	13,591
Amortisation	
Balance at 1 January 2021	13,591
Balance at 30 June 2021/ 1 January 2022	13,591
Balance at 30 June 2022	13,591
Net book amount	
Balance at 30 June 2022	-

18. Trade and other receivables

	2022 €	2021 €
Trade receivables	673,925	1,010,232
Receivables from own subsidiaries (Note 25.1)	3,388	3,456
Shareholders' current accounts - debit balances (Note 25.2)	894	3,894
Deposits and prepayments	2,023	2,023
Other receivables	23,541	19,916
Refundable VAT	20,086	17,598
	723,857	1,057,11

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

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the financial statements.

19. Other asset (describe)

	2022 €	2021 €
Balance at 1 January	83,505	83,505
Additions	3,185	-
Balance at 30 June	86,690	83,505

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

20. Cash at bank and in hand

Cash balances are analysed as follows:

	2022 €	2021 €
Cash at bank and in hand	<u>55,390</u>	<u>31,220</u>
	<u>55,390</u>	<u>31,220</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

21. Share capital

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
Authorised				
Ordinary shares of €1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid				
Balance at 1 January	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>
Balance at 30 June	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>

22. Trade and other payables

	2022 €	2021 €
Trade payables	592,922	912,455
Social insurance and other taxes	3,901	4,630
Accruals	7,506	6,258
Other creditors	10,811	20,830
Defence tax on rent payable	<u>12,794</u>	<u>12,839</u>
	<u>627,934</u>	<u>957,012</u>

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

23. Current tax liabilities

	2022 €	2021 €
Special contribution for defence	<u>5,835</u>	<u>5,835</u>
	<u>5,835</u>	<u>5,835</u>

24. Operating Environment of the Company

The Cypriot economy has recorded positive growth in 2017 and 2018 after overcoming the economic recession of recent years. The overall economic outlook of the economy remains favourable, however there are still downside risks emanating from the still high levels of non-performing loans, the public debt ratio, as well as possible deterioration of the external environment for Cyprus.

AEONIC SECURITIES C.I.F. PLC

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

Period from 1 January 2022 to 30 June 2022

24. Operating Environment of the Company (continued)

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

The Company's Management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary. The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.

25. Related party transactions

The Company is controlled by Alexandros Sinos, incorporated in Cyprus, which owns 61% of the Company's shares, which corresponds to 365,500 shares.

The following transactions were carried out with related parties:

25.1 Receivables from related parties (Note 18)

<u>Name</u>	<u>Nature of transactions</u>	2022 €	2021 €
Aeonic Investments Ltd	Finance	3,388	3,456
		3,388	3,456

25.2 Shareholders' current accounts - debit balances (Note 18)

	2022 €	2021 €
Alexandros Sinos	894	3,894
	894	3,894

The shareholders' current accounts are interest free, and have no specified repayment date.

26. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2022.

27. Commitments

The Company had no capital or other commitments as at 30 June 2022.

28. 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.

AEONIC SECURITIES C.I.F. PLC

ADDITIONAL INFORMATION TO THE UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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AEONIC SECURITIES C.I.F. PLC

DETAILED INCOME STATEMENT

Period from 1 January 2022 to 30 June 2022

	Page	2022 €	2021 €
Revenue			
Rendering of services		3,600	1,800
Commissions receivable		164,049	160,799
Cost of sales	3	<u>(80,891)</u>	<u>(79,069)</u>
Gross profit		86,758	83,530
Other operating income			
Unrealised foreign exchange profit		752	1,429
Sundry operating income		6,000	2
Profit from oper.act.- non-taxable income		<u>-</u>	<u>10,837</u>
		93,510	95,798
Operating expenses			
Administration expenses	4	(128,251)	(110,346)
Selling and distribution expenses	4	<u>(4,221)</u>	<u>(2,118)</u>
		(38,962)	(16,666)
Other operating expenses			
Loss from oper.act.- non-allowable for tax expense		<u>-</u>	<u>(1,940)</u>
Operating loss		(38,962)	(18,606)
Finance costs	5	<u>(2,971)</u>	<u>(3,618)</u>
Net loss for the period before tax		<u>(41,933)</u>	<u>(22,224)</u>

AEONIC SECURITIES C.I.F. PLC

COST OF SALES

Period from 1 January 2022 to 30 June 2022

	2022 €	2021 €
Cost of sales		
Closing stocks	-	-
Direct costs		
Services received	80,891	79,069
	<u>80,891</u>	<u>79,069</u>

AEONIC SECURITIES C.I.F. PLC

OPERATING EXPENSES

Period from 1 January 2022 to 30 June 2022

	2022 €	2021 €
Administration expenses		
Staff salaries	50,836	48,789
Social insurance	7,202	7,269
Rent	8,933	6,000
Licenses and taxes	222	222
Electricity	1,687	725
Insurance	1,275	822
Repairs and maintenance	-	900
Sundry expenses	6,697	10,286
Telephone and postage	1,939	1,965
Subscriptions and contributions	28,783	23,963
Staff training	5,679	-
Computer supplies and maintenance	1,530	1,530
Auditors' remuneration	1,250	1,250
Accounting fees	1,200	1,200
Other professional fees	8,660	2,750
Inland travelling and accommodation	1,511	1,678
Entertaining	637	-
Motor vehicle running costs	210	-
Depreciation	-	997
	<u>128,251</u>	<u>110,346</u>
	2022 €	2021 €
Selling and distribution expenses		
Motor vehicle running costs	806	-
Inland travelling	3,415	2,118
	<u>4,221</u>	<u>2,118</u>

AEONIC SECURITIES C.I.F. PLC

FINANCE EXPENSES

Period from 1 January 2022 to 30 June 2022

	2022 €	2021 €
Finance costs		
Interest expense		
Interest expense on lease liabilities	-	295
Bank interest	73	19
Sundry finance expenses		
Bank charges	2,898	2,866
Net foreign exchange losses		
Realised foreign exchange loss	-	27
Unrealised foreign exchange loss	-	411
	<u>2,971</u>	<u>3,618</u>