

**ALTRECOM PLC**

**UNAUDITED CONSOLIDATED FINANCIAL  
STATEMENTS**

Period from 1 January 2022 to 30 June 2022

# **ALTRECOM PLC**

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## **UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**

For the period from 1 January 2022 to 30 June 2022

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# ALTRECOM PLC

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:** Natalia Kyriakou (appointed on 5 Februray 2021)

Cleo Koushos-Cros

Martha Lambrianou

**Company Secretary:** Speedy Secretarial Solutions Limited

**Registered office:**  
Athalassas 62  
Mezzanine floor  
2012 Strovolos  
Nicosia, Cyprus

**Bankers:** Migom Bank Ltd

**Registration number:** HE414929

# ALTRECOM PLC

## MANAGEMENT REPORT

The Board of Directors presents its report and unaudited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the period from 1 January 2022 to 30 June 2022.

### **Principal activities and nature of operations of the Group**

The principal activities of the Group, which are unchanged from last year, are the holding of investments and the provision of financing.

### **Review of current position, and performance of the Group's business**

The Group's development to date, financial results and position as presented in the consolidated financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Group's losses.

On 27 April 2022 the Cyprus Stock Exchange (the "CSE") approved the application of the Company for initial listing of 118.162 non-secured and non-guaranteed bonds (and subsequently up to 120.000) of nominal value €1.000 each and a listing price of €850, as well as 24.883 ordinary shares of nominal value and listing price of €1,03 each on the Emerging Companies Market (the "ECM").

### **Corporate Governance**

The Company has listed its shares and convertible bonds on the Emerging Capital Markets of the Cyprus Stock Exchange ('CSE'). The CSE has established a Corporate Governance Code ('The Code'). The Company does not apply the Code, taking into consideration the small size of the Group, the fact that the Group does not employ a high number of employees and that its principal activities are the holding of investments and provision of financing. These advocate for the non-adoption of the Code, as the relative cost increase would not be justified under the circumstances.

### **Existence of branches**

The Group does not maintain any branches.

### **Share capital**

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

### **Board of Directors**

The members of the Group's Board of Directors as at 30 June 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 period from 1 January 2022 to 30 June 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.

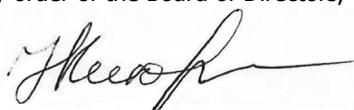
### **Events after the reporting period**

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

### **Related party transactions**

Disclosed in note 26 of the consolidated financial statements.

By order of the Board of Directors,



Natalia Kyriakou  
Director

Nicosia, 30 September 2022

# ALTRECOM PLC

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 1 January 2022 to 30 June 2022

	Note	01/01/2022- 30/06/2022 Unaudited US\$	01/01/2021- 30/06/2021 Unaudited US\$
Loan interest income	15	<b>1,217,217</b>	580,336
Net gain on trading in financial instruments		-	83,447
Net fair value changes	17	<b>(5,995,869)</b>	2,082,992
Administration expenses	8	<b>(743,519)</b>	(662,348)
<b>Operating (loss)/profit</b>		<b>(5,522,171)</b>	2,084,427
Net finance income/(cost)	10	<b>3,840,437</b>	(8,959,359)
<b>Loss before tax</b>		<b>(1,681,734)</b>	(6,874,932)
Tax	11	-	-
<b>Net loss for the period</b>		<b>(1,681,734)</b>	(6,874,932)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive loss for the period</b>		<b>(1,681,734)</b>	(6,874,932)
<b>Loss per share attributable to equity holders of the parent</b>	12	<b>(67.59)</b>	(276.29)

The notes on pages 7 to 17 form an integral part of these consolidated financial statements.

# ALTRECOM PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION 30 June 2022

	Note	30/06/2022 Unaudited US\$	31/12/2021 Audited US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets	13	<b>31,348</b>	41,647
Non-current loans receivable	15	<b>60,476,541</b>	58,841,786
		<b>60,507,889</b>	58,883,433
<b>Current assets</b>			
Other receivables	16	<b>17,629,102</b>	34,389
Financial assets at fair value through profit or loss	17	<b>7,999,800</b>	38,355,664
Other investments	18	<b>114,257</b>	124,586
Cash and cash equivalents	19	<b>10,689,298</b>	19,290,558
		<b>36,432,457</b>	57,805,197
Assets classified as held for sale	20	<b>11,107,840</b>	-
<b>Total assets</b>		<b>108,048,186</b>	116,688,630
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	21	<b>30,108</b>	30,108
Accumulated losses		<b>(4,065,524)</b>	(2,383,790)
<b>Total equity</b>		<b>(4,035,416)</b>	(2,353,682)
<b>Non-current liabilities</b>			
Borrowings	22	<b>111,920,216</b>	118,022,865
Lease liabilities	23	<b>15,410</b>	23,789
		<b>111,935,626</b>	118,046,654
<b>Current liabilities</b>			
Other payables	24	<b>131,952</b>	977,208
Lease liabilities		<b>16,024</b>	18,450
		<b>147,976</b>	995,658
<b>Total liabilities</b>		<b>112,083,602</b>	119,042,312
<b>Total equity and liabilities</b>		<b>108,048,186</b>	116,688,630

On 30 September 2022 the Board of Directors of Altrecom Plc authorised these consolidated financial statements for issue.



Natalia Kyriakou  
Director



Cleo Koufos-Cros  
Director

The notes on pages 7 to 17 form an integral part of these consolidated financial statements.

# ALTRECOM PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 1 January 2022 to 30 June 2022

	Share capital US\$	Accumulated losses US\$	Total US\$
<b>Balance at 1 January 2021</b>	<b>1,000</b>	<b>(36,712)</b>	<b>(35,712)</b>
<b>Comprehensive income</b>			
Net loss for the period	-	(6,874,932)	(6,874,932)
Total comprehensive income for the period	-	(6,874,932)	(6,874,932)
<b>Balance at 30 June 2021</b>	<b>1,000</b>	<b>(6,911,644)</b>	<b>(6,910,644)</b>
<b>Balance at 1 January 2022</b>	<b>30,108</b>	<b>(2,383,790)</b>	<b>(2,353,682)</b>
<b>Comprehensive income</b>			
Net loss for the period	-	(1,681,734)	(1,681,734)
Total comprehensive income for the period	-	(1,681,734)	(1,681,734)
<b>Balance at 30 June 2022</b>	<b>30,108</b>	<b>(4,065,524)</b>	<b>(4,035,416)</b>

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The notes on pages 7 to 17 form an integral part of these consolidated financial statements.

# ALTRECOM PLC

## CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January 2022 to 30 June 2022

	Note	01/01/2022- 30/06/2022 Unaudited US\$	01/01/2021- 30/06/2021 Unaudited US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax</b>		<b>(1,681,734)</b>	(6,874,932)
Adjustments for:			
Depreciation of right-of-use assets	13	<b>10,299</b>	-
Exchange difference arising on the translation of non-current assets in foreign currencies		<b>(170,187)</b>	-
Unrealised exchange (profit)/loss		<b>(6,723,218)</b>	6,550,049
Fair value losses/(gains) on financial assets at fair value through profit or loss	17	<b>5,995,869</b>	(2,082,992)
Interest income	15	<b>(1,217,217)</b>	(580,336)
Interest expense	21,22	<b>3,704,353</b>	<u>1,951,516</u>
		<b>(81,835)</b>	(1,036,695)
<b>Changes in working capital:</b>			
Increase in other receivables		<b>(17,594,713)</b>	(29,977)
Decrease/(increase) in financial assets at fair value through profit or loss		<b>23,982,696</b>	(28,900,743)
(Decrease)/increase in other payables		<b>(845,256)</b>	186,788
Net change in loan receivable and borrowings		<b>(2,486,655)</b>	<u>(1,580,188)</u>
<b>Cash generated from/(used in) operations</b>		<b>2,974,237</b>	(31,360,815)
Interest received	15	<b>200,120</b>	<u>209,008</u>
<b>Net cash generated from/(used in) operating activities</b>		<b>3,174,357</b>	<u>(31,151,807)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans granted	15	<b>(656,491)</b>	(56,900,000)
Payment for purchase of other investments	18	-	(124,586)
Payment for purchase of assets held for sale		<b>(11,107,840)</b>	-
Interest received		-	1,883
<b>Net cash used in investing activities</b>		<b>(11,764,331)</b>	<u>(57,022,703)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of leases liabilities	22	<b>(10,805)</b>	(1,095)
Proceeds from borrowings	22	-	114,744,007
Interest paid	21,22	<b>(481)</b>	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(11,286)</b>	<u>114,742,912</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(8,601,260)</b>	26,568,402
Cash and cash equivalents at beginning of the period		<b>19,290,558</b>	-
<b>Cash and cash equivalents at end of the period</b>	19	<b>10,689,298</b>	<u>26,568,402</u>

The notes on pages 7 to 17 form an integral part of these consolidated financial statements.

# ALTRECOM PLC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### **1. Incorporation and principal activities**

#### **Country of incorporation**

Altrecom Plc (the "Company") was incorporated in Cyprus on 7 November 2020 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Athalassas 62, Mezzanine, Strovolos 1212, Nicosia.

#### **Change of Company name**

On 13th September 2021, the Company changed its name from Altrecom Limited to Altrecom PLC following the Company's application to become a Public Limited Company.

#### **Unaudited financial statements**

The consolidated financial statements for the six months ended on 30 June 2021 and 2022 respectively, have not been audited by the external auditors of the Company.

### **2. Basis of preparation**

These consolidated 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. These consolidated financial statements have been prepared under the historical cost convention.

### **3. Functional and presentation currency**

The consolidated financial statements are presented in United States Dollars (US\$) which is the functional currency of the Group.

### **4. Summary of significant accounting policies**

Please refer to Note 4: "Adoption of new or revised standards and interpretations" and to Note 5: "Significant accounting policies" of the Audited Consolidated Financial Statements for the Year ended 31 December 2021.

### **5. New accounting pronouncements**

At the date of approval of these consolidated 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 consolidated financial statements of the Group.

### **6. Financial risk management objectives and policies**

Please refer to Note 7: "Financial Risk management" of the Audited Consolidated Financial Statements for the Year ended 31 December 2021.

### **7. Critical accounting estimates, judgments and assumptions**

Please refer to Note 8: "Critical Accounting Estimates, Judgments and Assumptions" of the Audited Consolidated Financial Statements for the Year ended 31 December 2021.

# ALTRECOM PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 8. Administration expenses

	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
	Unaudited	Unaudited
	US\$	US\$
Staff costs	<b>440,089</b>	3,220
Expense relating to short-term leases	-	1,095
Sundry expenses	<b>15</b>	-
Telephone and postage	<b>2,404</b>	-
Computer supplies and maintenance	<b>98</b>	-
Auditors' remuneration	<b>4,623</b>	-
Legal and professional	-	34,583
Other professional fees	<b>228,484</b>	612,985
Other administration expenses	<b>60,099</b>	10,465
Depreciation of right-of-use assets	<b>7,707</b>	-
	<b>743,519</b>	662,348

### 9. Staff costs

	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
	Unaudited	Unaudited
	US\$	US\$
Salaries	<b>440,089</b>	3,220
	<b>440,089</b>	3,220
Average number of employees (including Directors in their executive and non executive capacity)	<b>9</b>	2

### 10. Finance income/(costs)

	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
	Unaudited	Unaudited
	US\$	US\$
Interest income	-	1,883
Exchange profit	<b>9,801,400</b>	-
<b>Finance income</b>	<b>9,801,400</b>	1,883
Exchange losses	<b>(2,012,127)</b>	(6,624,557)
Interest expense	<b>(3,704,353)</b>	(1,951,516)
Sundry finance expenses	<b>(244,483)</b>	(385,169)
<b>Finance costs</b>	<b>(5,960,963)</b>	(8,961,242)
<b>Net finance income/(cost)</b>	<b>3,840,437</b>	(8,959,359)

# ALTRECOM PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 11. Tax

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

	01/01/2022-	01/01/2021-
	30/06/2022	30/06/2021
	Unaudited	Unaudited
	US\$	US\$
Loss before tax	<u>(1,681,734)</u>	<u>(6,874,932)</u>
Tax calculated at the applicable tax rates	(210,217)	(859,367)
Tax effect of expenses not deductible for tax purposes	1,056,974	-
Tax effect of allowances and income not subject to tax	(1,225,175)	859,367
Tax effect of tax loss for the period	<u>378,418</u>	<u>-</u>
<b>Tax charge</b>	<u>-</u>	<u>-</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

### 12. Loss per share attributable to equity holders of the parent

	01/01/2022-	01/01/2021-
	30/06/2022	30/06/2021
	Unaudited	Unaudited
<b>Loss attributable to shareholders (US\$)</b>	<u>(1,681,734)</u>	<u>(6,874,932)</u>
Weighted average number of ordinary shares in issue during the period	<u>24,883</u>	<u>24,883</u>
<b>Loss per share attributable to equity holders of the parent</b>	<u>(67.59)</u>	<u>(276.29)</u>

Diluted EPS is the same as basic EPS.

# ALTRECOM PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 13. Right-of-use assets

	Offices US\$
<b>Cost</b>	
Additions	50,423
<b>Balance at 30 June 2022</b>	<b>50,423</b>
 <b>Depreciation</b>	
Charge for the period	8,776
<b>Balance at 1 January 2022</b>	<b>8,776</b>
Charge for the period	10,299
<b>Balance at 30 June 2022</b>	<b>19,075</b>
 <b>Net book amount</b>	
<b>Balance at 30 June 2022</b>	<b>31,348</b>
<b>Balance at 1 January 2022</b>	<b>41,647</b>

On 1st of May 2021 and on 1st of July 2021, the Company entered into a one year lease agreement, respectively, for its offices, with renewal options. Rental contracts are typically made for fixed period of three years and may have extensions or automatic renewal options. The first agreement was terminated during the year. The managements intention is to renew the later lease agreement for three years. The lease agreement do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

### 14. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	30/06/2022 Holding %	31/12/2021 Holding %
Earth S.R.O.	Slovakia	Trading Services	100	100
Donimaro Limited	Cyprus	Holding of investments and provision of financing	100	100

On 18 December 2020, Altrecom PLC acquired 100% of the share capital of Donimaro Limited, an entity incorporated in Cyprus, for a total consideration of €100.

On 3 February 2021, Altrecom PLC acquired 100% of the share capital of Earth S.R.O., an entity incorporated in Slovak Republic, for a total consideration of €100.000. The effective date of the legal transfer was 17 February 2021.

On 31 the of January 2022 the Company signed a preliminary agreement (the Agreement) on sale of 100% participation share in the company Earth, S.R.O (the Subsidiary) to a related company. The agreed price is EUR 100 000. Under the terms of the Agreement the control over the Subsidiary is retained by the Company until certain conditions are met. One of key conditions is a full settlement of loan obligations of the Subsidiary before the Company.

# ALTRECOM PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 15. Non-current loans receivable

	<b>30/06/2022</b>	31/12/2021
	<b>Unaudited</b>	Audited
	<b>US\$</b>	US\$
Balance at 1 January	<b>58,841,786</b>	-
New loans granted	<b>656,491</b>	57,500,278
Repayments	-	(50,000)
Interest charged	<b>1,017,097</b>	1,391,508
Exchange differences	<b>(38,833)</b>	-
<b>Balance at 30 June/31 December</b>	<b><u>60,476,541</u></b>	<b><u>58,841,786</u></b>
	<b>30/06/2022</b>	31/12/2021
	<b>Unaudited</b>	Audited
	<b>US\$</b>	US\$
Loans receivable	<b>60,476,541</b>	-
Loans to related parties (Note 26.3)	-	58,841,786
	<b><u>60,476,541</u></b>	<b><u>58,841,786</u></b>

On 20 April 2021, the Company entered into a loan agreement with Athletic Enterprises Limited, a related entity, for a principal amount of \$56,900,000 and an annual interest rate of 3.5%. The maturity date of the loan is 20 April 2024.

On 6 September 2021, the Company entered into a loan agreement with the same related party for a principal amount of €150,000 with an annual interest rate of 0.2%. As at 30 June 2022 the Company had lent an amount of €110,000. The maturity date of the loan is 6 September 2024.

On 23 November 2021, the Company entered into a credit facility agreement with the same related party for an amount up to €1,000,000, which was extended to €1,100,000. As at 30 June 2022, the Company had lent an amount of €1,090,000. The credit facility has an annual interest rate of 0.25% and a repayment date by 1 September 2026.

The loans are repayable as follows:

	<b>30/06/2022</b>	31/12/2021
	<b>US\$</b>	US\$
Between one and five years	<b>60,476,541</b>	<b>58,841,786</b>

Loans are denominated in United States Dollars and Euro.

The fair values of non-current receivables approximate to their carrying amounts as presented above.

### 16. Other receivables

	<b>30/06/2022</b>	31/12/2021
	<b>Unaudited</b>	Audited
	<b>US\$</b>	US\$
Shareholders' current accounts - debit balances (Note 26.4)	<b>29,977</b>	29,977
Deposits and prepayments	<b>4,119</b>	4,412
Other receivables	<b>17,595,006</b>	-
	<b><u>17,629,102</u></b>	<b><u>34,389</u></b>

On 4 March 2022, Donimaro Limited entered into a sale agreement with a third party for the sale of 7% coupon bonds due 16th of March 2027, in the amount of 15,562 with nominal value €1,000.00 each, for the total consideration of €16,100,510.05 to be paid not later than 6 months from the Closing Date.

# ALTRECOM PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 16. Other receivables (continued)

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

### 17. Financial assets at fair value through profit or loss

	2022	2021
	Unaudited	Audited
	US\$	US\$
Balance at 1 January	<b>38,355,664</b>	-
Additions	<b>13,039,671</b>	34,677,794
Withdraw	<b>(37,022,367)</b>	(1,374,428)
Exchange differences	<b>(557,815)</b>	-
Net fair value changes	<b>(5,995,869)</b>	4,304,624
Interest Charged	<b>180,516</b>	747,674
<b>Balance at 30 June/31 December</b>	<b>7,999,800</b>	<b>38,355,664</b>

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 30 June by reference to quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the consolidated cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the consolidated statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

### 18. Other investments

	2022	2021
	Unaudited	Audited
	US\$	US\$
Balance at 1 January	<b>124,586</b>	-
Additions	<b>-</b>	124,586
Exchange differences	<b>(10,329)</b>	-
<b>Balance at 30 June/31 December</b>	<b>114,257</b>	<b>124,586</b>

On 6 September 2021, the Company entered into an Investment agreement with a third party, for an amount up to €550,000 interest free. The Investee shall repay the Company the invested amount not later than the 6th of September 2026 and pay 60% of annual profits gained from investment activity. As 30 June 2022 the Company invested an amount of €110,000.

### 19. Cash and cash equivalents

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

	30/06/2022	31/12/2021
	Unaudited	Audited
	US\$	US\$
Cash in hand	<b>7,905</b>	8,619
Cash with brokers	<b>10,440,944</b>	18,763,827
Cash at payment institutions	<b>223,032</b>	494,522
Current accounts	<b>17,417</b>	23,590
<b>10,689,298</b>	<b>19,290,558</b>	

# ALTRECOM PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 20. Assets classified as held for sale

On 5 May 2022, Donimaro Limited acquire 100% of the issued share capital (2,000 shares of €1.00 each) of the Treeglobe Holdings Limited. The total consideration is the equivalent of the price of the bonds with ISIN US9128286U98, in the quantity of 109,900 notes at the price not exceeding to US\$11,130,000. The directors of the Group resolved to dispose the shares acquired within the next 12 months.

### 21. Share capital

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
<b>Authorised</b>				
Ordinary shares of €1,03 each	<b>24,883</b>	<b>30,108</b>	24,883	30,108
<b>Issued and fully paid</b>		<b>US\$</b>		US\$
Balance at 1 January	<b>24,883</b>	<b>30,108</b>	100	121
Issue of shares	-	-	24,783	29,987
<b>Balance at 30 June/31 December</b>	<b>24,883</b>	<b>30,108</b>	24,883	30,108

#### Authorised and issued share capital

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

Upon incorporation on 7 November 2020 the Company issued to the subscribers of its Memorandum of Association 100 ordinary shares of €1 each at par.

On 18 February 2021, the sole shareholder of the Company resolved that the authorized share capital of the Company consisting of €1.000 divided into 1.000 ordinary shares of nominal value €1 each be converted into US\$1.210 divided into 1.000 ordinary shares of nominal value US\$1,21 each, and that the issued share capital of the Company consisted of €100 divided into 100 ordinary shares of nominal value €1 each, be converted into US\$121 divided into 100 ordinary shares of nominal value US\$1,21.

On 31 March 2021, the sole shareholder of the Company resolve that the authorized share capital of the Company consisted of US\$1.210 divided into 1.000 ordinary shares of nominal value US\$1,21 each be converted into €1.030 divided into 1.000 ordinary shares of nominal value of €1,03 each, and that the issued share capital of the Company consisting of US\$121 divided into 100 ordinary shares of nominal value US\$1,21 each be converted into €103 divided into 100 ordinary shares of nominal value of €1,03 each.

On 11 May 2021, the sole shareholder of the Company resolved that the authorized share capital of the Company be increased to €25.629,49 divided into 24.883 ordinary shares of €1,03 each, by the issuance of 23.883 additional ordinary shares of nominal value of €1,03 each, which will rank pari passu in all respects with the existing ordinary shares of the Company.

### 22. Borrowings

	2022 Unaudited US\$	2021 Audited US\$
Balance at 7 November 2020	<b>118,022,865</b>	-
Additions	-	114,744,007
Interest	<b>3,703,871</b>	5,239,833
Exchange differences	<b>(9,806,520)</b>	(1,960,975)
<b>Balance at 31 December 2021</b>	<b>111,920,216</b>	118,022,865

# ALTRECOM PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 22. Borrowings (continued)

	<b>30/06/2022</b>	<b>31/12/2021</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>US\$</b>	<b>US\$</b>

#### **Non-current borrowings**

Convertible bond

**111,920,216** **118,022,865**

Maturity of non-current borrowings:

	<b>30/06/2022</b>	<b>31/12/2021</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>US\$</b>	<b>US\$</b>
Between two and five years	<b><u>111,920,216</u></b>	<b><u>118,022,865</u></b>

The effective interest rate at the reporting date was as follows:

	<b>30/06/2022</b>	<b>31/12/2021</b>
	<b>%</b>	<b>%</b>
Convertible bond	<b><u>6</u></b>	<b><u>6</u></b>

On 28 December 2020 and on 24 February 2021, the Company issued 3.530 and 29.412 convertible bonds for a total value of US\$3.000.500 and US\$25.000.200, respectively, which were acquired by a third party subject to terms of a private term sheet. On 15 April 2021, the third party gave its consent for the 32.942 convertible bond to be converted from US Dollars to Euro using a rate of 1:1 which will be applicable to the nominal value, listing price and annual coupon terms in accordance with the revised private bonds term sheet. Additionally, on 15 April 2021, the Company issued to the third party an amount of 85.220 convertible bonds with a total value of €72.437.000. The convertible bonds bear a coupon rate of 0,75% and have a maturity date of 28th of June 2024.

The bonds were issued to the third party via a private placement.

The Company has submitted an application for the listing of its securities on the Emerging Companies Market ("E.C.M.") of the Cyprus Stock Exchange ("CSE"). On 27th of April 2022, the CSE has approved the listing of up to 120.000 bonds (initial listing 118.162 Bonds), with nominal value €1.000 and listing price of €850 each, as well as 24.883 ordinary shares of nominal value and listing price of €1,03 each, pursuant to Article 58 (1) of the Securities and Cyprus Stock Exchange Law, as well as the simultaneous listing of these securities in the Central Depository and Central Registry of the CSE, in accordance with respective Law.

# ALTRECOM PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 23. Lease liabilities

	2022 Unaudited US\$	2021 Audited US\$
Balance at 1 January	<b>42,239</b>	-
Additions	-	50,423
Interest expense	<b>480</b>	1,041
Lease payments	<b>(11,285)</b>	(9,225)
<b>Balance at 30 June/31 December</b>	<b><u>31,434</u></b>	<u>42,239</u>
 <b>Maturity analysis:</b>		
Year 1	<b>15,410</b>	18,450
Year 2	<b>14,915</b>	18,450
Year 3	<b>2,046</b>	9,225
Less: unearned interest	<b>32,371</b>	46,125
	<b>(937)</b>	(3,886)
	<b><u>31,434</u></b>	<u>42,239</u>
 Analysed as:		
Non-current	<b>15,410</b>	23,789
Current	<b>16,024</b>	18,450
	<b><u>31,434</u></b>	<u>42,239</u>

It is the Company's policy to lease its offices. The average lease term is 36 months. For period from 1 January 2022 to 30 June 2022, the average effective borrowing rate was 3.2% (2021: 3.2%). All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in Euro.

The fair values of lease obligations approximate to their carrying amounts as presented above.

### 24. Other payables

	30/06/2022 Unaudited US\$	31/12/2021 Audited US\$
Trade payables	<b>10,387</b>	22,836
Accruals	<b>16,831</b>	20,822
Other creditors	<b>104,734</b>	933,550
	<b><u>131,952</u></b>	<u>977,208</u>

The amount of \$749.831 in other creditors last year, relates to coupon interest which was paid during the period.

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

# ALTRECOM PLC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 25. Operating Environment of the Group

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID- 19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

This operating environment may have a significant impact on the Group's operations and financial position. Management is taking necessary measures to ensure sustainability of the Group'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 Group.

On the basis of the evaluation performed, the Group'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 Group and the smooth conduct of its operations in the current business and economic environment.

### 26. Related party transactions

The Group is controlled by Mr. Ilya Chernykh, who owns 99.96% of the Parent's shares.

The following transactions were carried out with related parties:

#### 26.1 Interest income

	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
	Unaudited	Unaudited
	US\$	US\$
Athletic Enterprises Limited	<b>581,199</b>	<b>371,328</b>
	<b>581,199</b>	<b>371,328</b>

#### 26.2 Directors' remuneration

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

	01/01/2022- 30/06/2022	01/01/2021- 30/06/2021
	Unaudited	Unaudited
	US\$	US\$
Directors' remuneration	<b>23,692</b>	<b>3,220</b>
	<b>23,692</b>	<b>3,220</b>

#### 26.3 Loans to related parties (Note 15)

	30/06/2022	31/12/2021
	Unaudited	Audited
	US\$	US\$
Athletic Enterprises Limited	<b>-</b>	<b>58,841,786</b>

# ALTRECOM PLC

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

### 26. Related party transactions (continued)

#### 26.4 Shareholders' current accounts - debit balances (Note 16)

	<b>30/06/2022</b>	<b>31/12/2021</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>US\$</b>	<b>US\$</b>
Ilya Chernykh	<b>29,977</b>	<b>29,977</b>

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

### 27. Contingent liabilities

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

### 28. Commitments

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

### 29. Events after the reporting period

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