ALTRECOM PLC

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 December 2022

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BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Natalia Kyriakou Cleo Koushos-Cros Martha Lambrianou
Company Secretary:	Speedy Secretarial Solutions Limited
Independent Auditors:	FINCAP Advisers Ltd Office 101, 1st floor 24 Piraeus Street 2023 Strovolos, Nicosia, Cyprus
Registered office:	Athalassas 62 Mezzanine 2012 Strovolos Nicosia, Cyprus
Bankers:	EcommBX
Registration number:	HE414929

MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 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 of €1.000 and listing price of €850, as well as 24.883 ordinary shares of nominal value and listing price of €1,03 on the Emerging Companies Market (the "ECM").

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in notes 7, 8 and 26 of the consolidated financial statements.

Corporate Governance
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 year under review.

Board of Directors
The members of the Group'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.

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.

Main Shareholder

At the date of this report, Mr. Ilya Chernykh held directly 99,96% of the share capital of the Company as at 31 December 2022.

Related party transactions
Disclosed in note 27 of the consolidated financial statements.

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

By order of the Board of Directors,

Natalia Kyriakou
Director

Nicosia, 15 May 2023

Independent Auditor's Report

To the Members of Altrecom Plc

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Altrecom Plc (the "Company") and its subsidiaries (the "Group"), which are presented in pages 7 to 33 and comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated 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 Consolidated Financial Statements" section of our report. We are independent of the Group 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 consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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Responsibilities of the Board of Directors for the Consolidated Financial Statements (continued)

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, 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 consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report

Other Matter

This report, including the opinion, has been prepared for and only for the Group's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Angelos Theodorou
Certified Public Accountant and Registered Auditor
for and on behalf of

FINCAP Advisers Ltd
Certified Public Accountants and Registered Auditors

Nicosia, 15 May 2023

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

	Note	**2022** US$	07/11/2020-31/12/2021 US$
Loan interest income	17	**2,382,422**	1,391,508
Net gain on trading in financial instruments	19	**948,760**	94,841
Net fair value changes	19	**(8,586,619)**	4,304,624
Administration expenses	9	**(1,652,002)**	(2,700,376)
Other expenses	10	**-**	(9,715)
Operating (loss)/profit		**(6,907,439)**	3,080,882
Net finance income/(cost)	12	**3,405,438**	(5,464,673)
Loss before tax		**(3,502,001)**	(2,383,791)
Tax	13	**-**	-
Net loss for the year/period		**(3,502,001)**	(2,383,791)
Other comprehensive income		**-**	-
Total comprehensive (loss) for the period		**(3,502,001)**	(2,383,791)
Loss per share attributable to equity holders of the parent	**14**	**(140.74)**	(95.79)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2022

	Note	**2022 US$**	2021 US$
ASSETS			
Non-current assets			
Right-of-use assets	15	**23,742**	41,647
Non-current loans receivable	17	**186,852,866**	58,841,786
		186,876,608	58,883,433
Current assets			
Other receivables	18	**53,429**	34,389
Financial assets at fair value through profit or loss	19	**2,536,579**	38,355,664
Other investments	20	**-**	124,586
Cash and cash equivalents	21	**4,245,387**	19,290,558
		6,835,395	57,805,197
Total assets		**193,712,003**	116,688,630
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**30,108**	30,108
Accumulated losses		**(5,885,792)**	(2,383,791)
Total equity		**(5,855,684)**	(2,353,683)
Non-current liabilities			
Borrowings	23	**187,184,596**	118,022,865
Lease liabilities	24	**6,003**	23,789
Other payables	25	**12,290,611**	-
		199,481,210	118,046,654
Current liabilities			
Other payables	25	**68,027**	977,209
Lease liabilities	24	**18,450**	18,450
		86,477	995,659
Total liabilities		**199,567,687**	119,042,313
Total equity and liabilities		**193,712,003**	116,688,630

On 15 May 2023 the Board of Directors of Altrecom Plc authorised these consolidated financial statements for issue.

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Natalia Kyriakou — Director

Cleo Kousnos-Cros — Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 December 2022

	Note	Share capital US$	Accumulated losses US$	Total US$
Comprehensive income				
Net loss for the period		-	(2,383,791)	(2,383,791)
Total comprehensive income for the period		-	(2,383,791)	(2,383,791)
Transactions with owners				
Issue of share capital	22	30,108	-	30,108
Total transactions with owners		30,108	-	30,108
Balance at 31 December 2021/ 1 January 2022		**30,108**	**(2,383,791)**	**(2,353,683)**
Comprehensive income				
Net loss for the year		-	(3,502,001)	(3,502,001)
Total comprehensive income for the year		-	(3,502,001)	(3,502,001)
Balance at 31 December 2022		**30,108**	**(5,885,792)**	**(5,855,684)**

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.

CONSOLIDATED CASH FLOW STATEMENT
31 December 2022

	Note	2022 US$	07/11/2020-31/12/2021 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(3,502,001)**	(2,383,791)
Adjustments for:			
Depreciation of right-of-use assets	15	**17,905**	8,776
Exchange difference arising on the translation of non-current assets in foreign currencies		**-**	(747,674)
Unrealised exchange profit		**(10,720,559)**	-
Fair value gains on financial assets at fair value through profit or loss		**-**	(4,304,624)
Interest income	12	**(2,626,001)**	(2,141,065)
Interest expense	12	**6,636,411**	6,016,362
Gain on disposal	20	**948,760**	-
Interest lease liability		**988**	-
		(9,244,497)	(3,552,016)
Changes in working capital:			
Increase in other receivables		**(19,040)**	(4,281)
Decrease/(increase) in financial assets at fair value through profit or loss		**20,598,404**	(33,303,366)
Increase in other payables		**11,387,092**	977,209
Cash generated from/(used in) operations		**22,721,959**	(35,882,454)
Interest received		**-**	1,391,508
Net cash generated from/(used in) operating activities		**22,721,959**	(34,490,946)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans granted	17	**(22,692,297)**	(58,841,786)
Loans repayments received	17	**22,218,677**	-
Payment for purchase of other investments	20	**(11,107,840)**	(124,586)
Exchange Differences on loans		**(5,077,210)**	-
Proceeds from sale of other investments	20	**12,181,186**	-
Interest received	19	**243,579**	749,557
Net cash used in investing activities		**(4,233,905)**	(58,216,815)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings	23	**(32,582,021)**	-
Payments of leases liabilities		**(17,786)**	(8,184)
Proceeds from borrowings		**-**	118,022,865
Interest paid		**(933,418)**	(6,016,362)
Net cash (used in)/generated from financing activities		**(33,533,225)**	111,998,319
Net (decrease)/increase in cash and cash equivalents		**(15,045,171)**	19,290,558
Cash and cash equivalents at beginning of the year/period		**19,290,558**	-
Cash and cash equivalents at end of the year/period	**21**	**4,245,387**	19,290,558

The notes on pages 11 to 33 form an integral part of these consolidated financial statements.

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 2012, Nicosia.

Principal activities

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

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

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. Adoption of new or revised standards and interpretations

During the current year the Group 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 Group.

5. Significant accounting policies

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

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company Altrecom Plc and the financial statements of the following subsidiaries, Donimaro Limited and Earth S.R.O.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

5. Significant accounting policies (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Revenue

Recognition and measurement

The Company recognises revenue as follow:

5. Significant accounting policies (continued)

Revenue (continued)

- **Income from investments in securities**

  Profits or losses from the sale of investments in securities represent the difference between the net proceedsand the carrying amount of the investments sold and is transferred to profit or loss. Changes in fair value ofinvestments at fair value through profit or loss are included in profit or loss in the period in which it arises.

- **Interest income**

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

Other Investments

Other investments are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Finance income

Interest income is recognised on a time-proportion basis using the effective 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 Group'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 United States Dollars (US$), which is the Group'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. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

Leases

At inception of a contract, the Group 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 Group 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 Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

5. Significant accounting policies (continued)

Leases (continued)

- the Group has the right to direct the use of the asset. The Group 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 Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group 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 Group 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 Group 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

Financial assets - Classification

The Group 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 Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group 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).

5. Significant accounting policies (continued)

Financial assets (continued)

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 Group 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 Group has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Group 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

The Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Group 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 consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the consolidated 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 consolidated statement of financial position.

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

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

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group 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.

5. Significant accounting policies (continued)

Financial assets (continued)

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

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 Group 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 7, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group 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 Group's definition of credit impaired assets and definition of default is explained in note 7, Credit risk section.

Additionally the Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 7, Credit risk section for a description of how the Group 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 Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group 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 Group 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 Group 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.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group 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 Group 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.

5. Significant accounting policies (continued)

Financial assets (continued)

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank, cash with brokers and cash in hand. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Group. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings consist of Convertibel Bonds that are subsequently measured at amortized cost using effective interest rate.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost.

Financial liabilities - Modifications

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

5. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated 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 consolidated statement of financial position.

Prepayments

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

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

5. Significant accounting policies (continued)

Fair value measurement

The carrying amounts of the Group's financial assets and liabilities approximate their fair value at the reporting date.

The fair value of financial assets traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

All assets, liabilities and equity items for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

6. 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.

7. Financial risk management

Financial risk factors
The Group 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 Group to manage these risks are discussed below:

7.1 Cash flow and fair value interest rate risk
The Group's interest rate risk arises from interest-bearing assets and long term borrowings. Interest-bearing assets and borrowings at variable rates expose the Group to cash flow interest rate risk. Interest bearing assets and borrowings issued at fixed rates expose the Group to fair value interest rate risk.

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2022	2021
	US$	US$
Fixed rate instruments		
Financial assets	**189,389,445**	86,797,666
Financial liabilities	**(199,475,207)**	(118,022,865)
	(10,085,762)	(31,225,199)

The Group's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

7. Financial risk management (continued)

7.2 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, and deposits with brokers and investement firms, as well as credit exposures to wholesale and retail customers, including outstanding receivables. Further, credit risk arises from credit related commitments.

(i) Risk management

The Group's investments in equity and debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Group to reduce its credit risk significantly.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:
- loan receivables
- cash and cash equivalents

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:
- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.
- For all other financial assets that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset 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 Group 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"). If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

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

Low credit risk

The Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Default

A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

7. Financial risk management (continued)

7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

The Group's exposure to credit risk for each class of (asset/instrument) subject to the expected credit loss model is set out below:

Loans to related parties

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

Group internal credit rating	2022 US$	2021 US$
Performing	-	58,841,786
Total	-	58,841,786

The Group does not hold any collateral as security for any loans to related parties.

There were no significant loans to related parties written off during the year that are subject to enforcement activity.

Cash and cash equivalents

The Group assesses, on a group basis, its exposure to credit risk arising from cash at bank, cash at brokers and payment institutions. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

Group internal credit rating	2022 US$	2021 US$
Performing	**4,245,387**	19,290,558
Total	**4,245,387**	19,290,558

The Group does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

(iii) Financial assets at fair value through profit or loss

The Group is also exposed to credit risk in relation to equity and debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments US$2,536,579 (2021: US$38,355,664).

7.3 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 Group 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.

7. Financial risk management (continued)

7.3 Liquidity risk (continued)

The following tables detail the Group'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 Group can be required to pay. The table includes both interest and principal cash flows.

31 December 2022	Carrying amounts US$	Contractual cash flows US$	3 months or less US$	3-12 months US$	1-2 years US$	2-5 years US$
Lease liabilities	24,453	24,453	-	18,450	6,003	-
Convertible bond	116,825,067	134,883,197	-	943,730	943,730	132,995,737
Other loans	70,359,529	75,284,696	-	-	-	75,284,696
Other payables	12,299,428	12,299,428	-	8,817	-	12,290,611
	199,508,477	**222,491,774**	**-**	**970,997**	**949,733**	**220,571,044**

31 December 2021	Carrying amounts US$	Contractual cash flows US$	3 months or less US$	3-12 months US$	1-2 years US$	2-5 years US$
Lease liabilities	42,239	42,239	-	18,150	18,150	5,939
Convertible bond	118,022,865	143,154,680	-	1,048,126	1,048,126	141,058,428
Other payables	956,386	956,386	749,831	206,555	-	-
	119,021,490	144,153,305	749,831	1,272,831	1,066,276	141,064,367

7.4 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 Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro and Russian Rubles. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

		Liabilities		**Assets**
	2022	2021	**2022**	07/11/2020-31/12/2021
	US$	US$	**US$**	US$
Euro	**129,142,948**	119,005,492	**120,469,379**	526,725
RUB	**-**	-	**-**	6,588,461
	129,142,948	119,005,492	**120,469,379**	7,115,186

The following significant exchange rates have been applied during the year.

		Average rate		Year-end spot rate
	2022	2021	**2022**	2021
	US$	US$	**US$**	US$
Euro 1	**1.0530**	1.1855	**1.0666**	1.1326
RUB 1	**-**	73.4745	**-**	75.2688

7. Financial risk management (continued)

7.5 Capital risk management
Capital includes equity shares.

The Group 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 Group's overall strategy remains unchanged from last year.

8. 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 Group 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**

  Management has made an assessment of the Group's ability to continue as a going concern.

- **Calculation of loss allowance**

  When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

  Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

  Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Critical judgements in applying the Group's accounting policies

- **Impairment of loans receivable**

  The Group periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group'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 7, Credit risk section.

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

- **Valuation of non-listed investments**

  The Group uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

9. Administration expenses

	2022 US$	07/11/2020-31/12/2021 US$
Staff costs (Note 11)	**819,275**	437,214
Expense relating to short-term leases	**-**	3,845
Annual levy	**742**	812
Sundry expenses	**1,031**	14,304
Telephone and postage	**3,986**	-
Auditors' remuneration	**20,209**	20,387
Other professional fees	**77,767**	1,606,231
Operating expenses	**369,407**	334,712
Office expenses	**2,522**	1,006
Representative expenses	**100,400**	3,787
Commissions	**240,835**	269,302
Depreciation of right-of-use assets	**15,828**	8,776
	1,652,002	2,700,376

10. Other expenses

	2022 US$	07/11/2020-31/12/2021 US$
Fair value losses on financial liabilities at fair value through profit or loss	**-**	9,715
	-	9,715

11. Staff costs

	2022 US$	07/11/2020-31/12/2021 US$
Salaries	**819,275**	437,214
	819,275	437,214
Average number of employees (including Directors in their executive capacity)	**8**	6

12. Finance income/(costs)

	2022 US$	07/11/2020- 31/12/2021 US$
Interest income	**243,579**	749,557
Exchange profit	**10,808,580**	1,796,255
Finance income	**11,052,159**	2,545,812
Net foreign exchange losses	**(713,341)**	(1,521,572)
Interest expense on lease liabilities	**(988)**	(1,041)
Other interest expense	**(6,636,411)**	(6,016,723)
Sundry finance expenses	**(295,981)**	(471,149)
Finance costs	**(7,646,721)**	(8,010,485)
Net finance income/(cost)	**3,405,438**	(5,464,673)

13. Tax

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.

14. Loss per share attributable to equity holders of the parent

	2022	07/11/2020- 31/12/2021
Loss attributable to shareholders (US$)	**(3,502,001)**	(2,383,791)
Weighted average number of ordinary shares in issue during the year	**24,883**	24,883
Loss per share attributable to equity holders of the parent	**(140.74)**	(95.79)

Diluted EPS is the same as basic EPS.

15. Right-of-use assets

	Offices US$
Cost	
Additions	-
Balance at 31 December 2022	**50,423**
Depreciation	
Charge for the year	8,776
Charge for the year	17,905
Balance at 31 December 2022	**26,681**
Net book amount	
Balance at 31 December 2022	**23,742**
Balance at 31 December 2021	**41,647**

Amounts recognised in profit and loss:

	2022 US$	07/11/2020-31/12/2021 US$
Depreciation expense on right-of-use assets	**(15,828)**	(8,776)
Exchange differences	**(2,077)**	-
Expense relating to short-term leases	**-**	(3,845)
Interest expense on lease liabilities	**(988)**	(1,041)

On 1st of July 2021, the Company entered into a one year lease agreement 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 managements intention is to renew the 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.

16. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Holding %
Donimaro Limited	Cyprus	Holding of investments and provision of financing	100
Earth S.R.O.	Slovakia	Trading Services	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.

17. Non-current loans receivable

	2022	2021
	US$	US$
Balance at 1 January/07 November 2020	**58,841,786**	-
New loans granted	**142,770,125**	57,500,278
Repayments	**-**	(50,000)
Interest charged	**2,382,422**	1,391,508
Exchange differences from arising from changing currency of the loan	**5,077,210**	-
Assignment of loan	**(22,218,677)**	-
Balance at 31 December	**186,852,866**	58,841,786

	2022	2021
	US$	US$
Loans receivable	**186,852,866**	-
Loans to related parties	**-**	58,841,786
	186,852,866	58,841,786

On 20 April 2021, the Company entered into a loan agreement with Athletic Enterprises Limited, an unrelated entity, for the 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 has entered into a loan agreement with the same unrelated entity for the principal amount of €150,000 with annual interest rate of 0.2%. As at 31 December 2021 the Company lend an amount of €110,000. The maturity date of the loan is 6 September 2024. On 10 November 2022, it was agreed by both parties to increase the interest rate from 0.25% to 3.75% annualy.

On 23 November 2021, the Company has entered into a credit facility agreement with the same unrelated entity for an amount up to €1,000,000. As at 31 December 2021, the Company lend an amount of €420,000. The credit facility has an annual interest rate of 0.25% and repayment date by 1 September 2026. On 10 November 2022, it was agreed by both parties to increase the interest rate from 0.25% to 3.75% annualy. On 16 November 2022, it was agreed by both parties to extend the credit facility up to €1,400,000.

On 21 December 2022, the Company has entered into a credit facility agreement with the same unrelated entity for an amount up to €1,000,000. As at 31 December 2022 the Company lend an amount of €260,000. The credit facility has an annual interest rate of 3.75% and repayment date by 21 December 2025.

On 21 December 2022, the Company has entered into an agreement with an unrelated entity, the "Seller", for the purchase of 5 promisory notes by another unrelated entity, the "Issuer" with the total consideration being €112,580,000.

The loans are repayable as follows:

	2022	2021
	US$	US$
Between one and five years	**186,852,866**	58,841,786

Loans are denominated in United States Dollars and Euro.

The exposure of the Group to credit risk in relation to loans receivable is reported in note 7 of the consolidated financial statements.

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

18. Other receivables

	2022	2021
	US$	US$
Shareholders' current accounts - debit balances (Note 27.2)	29,977	29,977
Deposits and prepayments	23,452	4,412
	53,429	34,389

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

The exposure of the Group to credit risk and impairment losses in relation to other receivables is reported in note 7 of the consolidated financial statements.

19. Financial assets at fair value through profit or loss

	2022	2021
	US$	US$
	2022	2021
	US$	US$
Balance at 1 January/07 November 2020	38,355,664	-
Additions	2,124,739	34,677,794
Disposals	(29,600,784)	(1,374,428)
Net fair value changes	(8,586,619)	4,304,624
Interest Charged	243,579	747,674
Balance at 31 December	2,536,579	38,355,664

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 31 December 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.

20. Other investments

	2022	2021
	US$	US$
Balance at 1 January/07 November 2020	124,586	-
Additions	11,107,840	124,586
Disposals	(12,056,600)	-
Repayment	(124,586)	-
Gain on disposals	948,760	-
Balance at 31 December	-	124,586

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 investement activity. As at 31 December 2021, the Company invested an amount of €110.000 (equivalent to $124.586).

On 14 November 2022 the third party has repaid its amount owed to the company of €110,000 ($124,586) along with the 60% of the profits of the third party as described in the agreement above.

21. Cash and cash equivalents

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

	2022	2021
	US$	US$
Cash in hand	**11**	8,505
Cash with brokers	**3,408,511**	18,763,827
Cash at payment institutions	**836,784**	494,636
Current accounts	**81**	23,590
	4,245,387	19,290,558

The exposure of the Group to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 7 of the consolidated financial statements.

22. Share capital

	2022	**2022**	2021	2021
	Number of shares	**US$**	Number of shares	US$
Authorised				
Ordinary shares of €1,03 each	24,883	30,108	24,883	30,108
Issued and fully paid				
Balance at 1 January/07-November-20	24,883	30,108	-	-
Issue of shares	-	-	24,883	30,108
Balance at 31 December	**24,883**	**30,108**	24,883	30,108

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.

23. Borrowings

	2022	2021
	US$	US$
Balance at 1 January 2022/7 November 2020	**118,022,865**	-
Additions	**102,851,723**	114,744,007
Repayments	**(32,582,021)**	-
Interest	**5,692,681**	5,239,833
Exchange differences	**(6,800,652)**	(1,960,975)
Balance at 31 December	**187,184,596**	118,022,865

	2022	2021
	US$	US$
Non-current borrowings		
Convertible bond	**116,825,067**	118,022,865
Other loans	**70,359,529**	-
	187,184,596	118,022,865

Maturity of non-current borrowings:

	2022	2021
	US$	US$
Between two and five years	**187,184,596**	118,022,865

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

	2022	2021
	%	%
Convertible bond	**6**	6

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 2022, 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 2022, 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.

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 ordinarry shares of nominal value and listing price of €1,03 each, pursuant to Article 58 (1) of the Securities and Cyprus Stock Echange Law, as well as the simultaneous listing of these securities in the Central Depository and Central Regisrty of the CSE, in accordance with respective Law.

24. Lease liabilities

	2022	2021
	US$	US$
Balance at 1 January/07 November 2020	**42,239**	-
Additions	**-**	50,423
Exchange differences	**(2,347)**	-
Interest expense	**988**	1,041
Lease payments	**(16,427)**	(9,225)
Balance at 31 December	**24,453**	42,239

	2022	2021
	US$	US$
Maturity analysis:		
Year 1	**18,450**	18,450
Year 2	**9,225**	18,450
Year 3	**-**	9,225
	27,675	46,125
Less: unearned interest	**(3,222)**	(3,886)
	24,453	42,239
Analysed as:		
Non-current	**6,003**	23,789
Current	**18,450**	18,450
	24,453	42,239

It is the Company's policy to lease its offices. The average lease term is 36 months. For year ended 31 December 2022, the average effective borrowing rate was 3.7% (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.

25. Other payables

	2022	2021
	US$	US$
Trade payables	**-**	22,836
Social insurance and other taxes	**40,009**	-
Promissory notes liabilities	**12,290,611**	-
Accruals	**19,201**	20,823
Other creditors	**8,817**	933,550
	12,358,638	977,209
Less non-current payables	**(12,290,611)**	-
Current portion	**68,027**	977,209

Following the assignment of loans as descibed in note 17, the Company has a payable amount of €11,240,023.47, equivalent to $12,290,611.

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

26. 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.

27. 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:

27.1 Directors' remuneration

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

	2022	07/11/2020-31/12/2021
	US$	US$
Directors' remuneration	**79,564**	32,207
	79,564	32,207

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

	2022	2021
	US$	US$
Ilya Chernykh	**29,977**	29,977

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

28. Contingent liabilities

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

29. Commitments

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