

FRONTARICO PLC

INTERIM FINANCIAL STATEMENTS

For the period 1 January 2025 to 30 June 2025

FRONTARICO PLC

INTERIM FINANCIAL STATEMENTS for the period 1 January 2025 to 30 Jun 2025

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FRONTARICO PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Eleftherios Konstantinou Andreas Siamptanis
Company Secretary:	Eleftherios Konstantinou
Independent Auditors:	Meritorius Audit Ltd Certified Public Accountants and Registered Auditors 3A Theodorou Potamianou str. 1st Floor, Office 101 4155 Limassol
Registered office:	Ampelakion, 28 Germasogeia 4046, Limassol Cyprus
Bankers:	Bank of Cyprus Public Company Ltd
Registration number:	HE386337

Independent Auditor's Report on review of interim unaudited financial statements

To the Members of Frontarico Plc

Introduction

We have reviewed the interim condensed financial statements of Frontarico Plc (the "Company"), which are presented in pages 3 to 13 and comprise the statement of financial position as at 30 June 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period 1 January 2025 to 30 Jun 2025, and notes of the interim condensed financial statements, including material accounting policy information. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with IFRS Accounting Standards applicable to interim financial reporting as adopted by the European Union ('IAS34 Interim Financial Reporting'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

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



Despoina Demetriou
Certified Public Accountant and Registered Auditor
for and on behalf of
Meritorius Audit Ltd
Certified Public Accountants and Registered Auditors

Limassol, 9 September 2025

FRONTARICO PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME for the period 1 January 2025 to 30 Jun 2025

		6 months to 30 Jun 2025	6 months to 30 Jun 2024	Year to 31 Dec 2024
	Note	€	€	€
Revenue		-	-	-
Other operating income		653	-	-
Administration expenses	7	(2,712)	(34,568)	(57,968)
Operating loss		(2,059)	(34,568)	(57,968)
Net finance costs	8	-	(206)	(106)
Loss before tax		(2,059)	(34,774)	(58,074)
Tax		-	-	(32)
Net loss for the period/year		(2,059)	(34,774)	(58,106)
Other comprehensive income		-	-	-
Total comprehensive loss for the year		(2,059)	(34,774)	(58,106)

The notes on pages 7 to 13 form an integral part of these interim condensed financial statements.

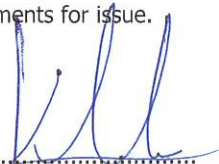
FRONTARICO PLC

STATEMENT OF FINANCIAL POSITION

30 June 2025

	Note	30 Jun 2025 €	31 Dec 2024 €
ASSETS			
Current assets			
Inventories	9	6,871,632	6,712,814
Other receivables	10	72,571	72,258
Cash at bank	11	87	46
		<u>6,944,290</u>	<u>6,785,118</u>
Total assets		<u>6,944,290</u>	<u>6,785,118</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	1,000,000	1,000,000
Accumulated losses		<u>(195,044)</u>	<u>(192,985)</u>
Total equity		<u>804,956</u>	<u>807,015</u>
Non-current liabilities			
Borrowings	13	<u>6,108,212</u>	<u>5,965,501</u>
		<u>6,108,212</u>	<u>5,965,501</u>
Current liabilities			
Trade and other payables	14	<u>31,122</u>	<u>12,602</u>
		<u>31,122</u>	<u>12,602</u>
Total liabilities		<u>6,139,334</u>	<u>5,978,103</u>
Total equity and liabilities		<u>6,944,290</u>	<u>6,785,118</u>

On 9 September 2025 the Board of Directors of Frontarico Plc authorised these interim condensed financial statements for issue.



 Eleftherios Konstantinou
 Director



 Andreas Siamptanis
 Director

The notes on pages 7 to 13 form an integral part of these interim condensed financial statements.

FRONTARICO PLC

STATEMENT OF CHANGES IN EQUITY for the period 1 January 2025 to 30 Jun 2025

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2024	1,000,000	(134,878)	865,122
Comprehensive income			
Net loss for the year	-	(58,106)	(58,106)
Balance at 31 December 2024	1,000,000	(192,984)	807,016
Balance at 1 January 2025	1,000,000	(192,985)	807,015
Comprehensive income			
Net loss for the period	-	(2,059)	(2,059)
Balance at 30 June 2025	1,000,000	(195,044)	804,956

The notes on pages 7 to 13 form an integral part of these interim condensed financial statements.

FRONTARICO PLC

STATEMENT OF CASH FLOWS

for the period 1 January 2025 to 30 Jun 2025

	6 months to 30 Jun 2025 €	6 months to 30 Jun 2024 €	Year to 31 Dec 2024 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax	(2,059)	(34,774)	(58,074)
Adjustments for:			
Interest expense	8 -	100	-
	(2,059)	(34,674)	(58,074)
Changes in working capital:			
Increase in inventories	(158,818)	(186,874)	(431,936)
Increase in other receivables	(313)	(2,848)	(12,792)
Increase in trade and other payables	18,520	2,123	4,439
Cash used in operations	(142,670)	(222,273)	(498,363)
Tax paid	-	-	(32)
Net cash used in operating activities	(142,670)	(222,273)	(498,395)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	142,711	219,105	495,089
Interest paid	-	(100)	-
Net cash generated from financing activities	142,711	219,005	495,089
Net increase/(decrease) in cash and cash equivalents	41	(3,268)	(3,306)
Cash and cash equivalents at beginning of the period/year	46	3,352	3,352
Cash and cash equivalents at end of the period/year	11 87	84	46

The notes on pages 7 to 13 form an integral part of these interim condensed financial statements.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS for the period 1 January 2025 to 30 Jun 2025

1. Incorporation and principal activities

Country of incorporation

The Company Frontarico Plc (the "Company") was incorporated in Cyprus on 13 July 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Ampelakion, 28, Germasogeia, 4046, Limassol, Cyprus.

Principal activities

The principal activity of the Company is real estate development. The Company has a plan to develop university institutions and student halls. The Company has a also a plan to construct certain environmental and cultural facilities such as retail dining, entertainment, fitness and landscape gateways. To achieve its goals, the Company make an application to the Cyprus Stock Exchange for listing its shares on the Cyprus Stock Exchange Emerging Companies Market.

On 7th of March 2024 ,the Cyprus Stock Exchange announced the listing of the ordinary shares of the Company,pursuant to Article 58(1) of the CSE Law, on the CSE Emerging Companies Market and the simultaneous registration of its ordinary shares to the Central Securities Depository/Registry of the CSE pursuant to Articles 10(1) and (3) of the Securities and Cyprus Stock Exchange (Central Securities Depository/Central Registry) Law.

The trading of the Company's shares commenced on Tuesday 19 March 2024 and effected in Euro (€).

2. Basis of preparation

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

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

3. Adoption of new or revised standards and interpretations

During the current period the Company adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and are effective for accounting periods beginning on 1 January 2025. This adoption did not have a material effect on the accounting policies of the Company.

4. Material accounting policy information

The interim condensed financial statements, which are presented in Euro, have been prepared in accordance with IFRS Accounting Standards, including IAS 34 "Interim Financial Reporting"

The accounting policies used in the preparation of the interim condensed financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2024.

Costs that are incurred during the financial year are anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

Corporation tax is calculated based on the expected tax rates for the whole financial year.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
for the period 1 January 2025 to 30 Jun 2025

4. Material accounting policy information (continued)

These interim condensed financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2024.

5. New accounting pronouncements

At the date of approval of these interim condensed 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 interim condensed financial statements of the Company.

6. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, reputation risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

6.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

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

	30 Jun 2025	31 Dec 2024
	€	€
Fixed rate instruments		
Financial liabilities	<u>(6,108,212)</u>	<u>(5,965,501)</u>
	<u>(6,108,212)</u>	<u>(5,965,501)</u>

6.2 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 cash and cash equivalents.

(i) Impairment of financial assets

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

- cash and cash equivalents

Cash and cash equivalents

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

Bank deposits held with banks with investment grade rating are considered as low credit risk.

FRONTARICO PLC

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS for the period 1 January 2025 to 30 Jun 2025

6. Financial risk management (continued)

6.2 Credit risk (continued)

(i) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 30 June 2025 and 31 December 2024:

Company internal credit rating	External credit rating	30 Jun 2025 €	31 Dec 2024 €
Performing-Bank of Cyprus	A3	87	46
Total		87	46

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company 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 period that are subject to enforcement activity.

6.3 Liquidity risk

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

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

30 June 2025	Carrying amounts €	Contractual cash flows €	Within 12 months €	1-5 years €	More than 5 years €
Trade and other payables	25,881	25,881	25,881	-	-
Loan from parent company	6,108,212	6,657,951	-	6,657,951	-
	6,134,093	6,683,832	25,881	6,657,951	-
31 December 2024	Carrying amounts €	Contractual cash flows €	Within 12 months €	1-5 years €	More than 5 years €
Trade and other payables	5,460	5,460	5,460	-	-
Loan from parent company	5,965,501	6,771,978	-	6,771,978	-
	5,970,961	6,777,438	5,460	6,771,978	-

6.4 Reputation risk

The risk of loss of reputation arising from the negative publicity relating to The Company's operations (whether true or false) may result in a reduction of its clientele, reduction in revenue and legal cases against the Company. The Company applies procedures to minimize this risk.

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS for the period 1 January 2025 to 30 Jun 2025

6. Financial risk management (continued)

6.5 Capital risk management

Capital includes equity shares and loan from parent company.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

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

7. Administration expenses

	6 months to 30 Jun 2025 €	6 months to 30 Jun 2024 €	Year to 31 Dec 2024 €
Rent	-	1,400	3,500
Licenses and taxes	2,302	2,329	4,927
Immovable property tax	-	-	69
Auditors' remuneration	-	-	1,800
Accounting fees	410	-	15,800
Other professional fees	-	30,839	31,662
Sundry expenses	-	-	210
	<u>2,712</u>	<u>34,568</u>	<u>57,968</u>

8. Finance costs

	6 months to 30 Jun 2025 €	6 months to 30 Jun 2024 €	Year to 31 Dec 2024 €
Finance costs			
Interest on taxes	-	100	-
Sundry finance expenses			
Bank charges	-	106	106
	<u>-</u>	<u>206</u>	<u>106</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS for the period 1 January 2025 to 30 Jun 2025

9. Inventories

	30 Jun 2025 €	31 Dec 2024 €
Property under development	<u>6,871,632</u>	<u>6,712,814</u>
	<u>6,871,632</u>	<u>6,712,814</u>

Inventories are stated at cost.

Analysis of cost of property under development:

	30 Jun 2025 €	31 Dec 2024 €
Land	4,295,730	4,295,730
Loan interest	998,220	864,449
Cost of construction	<u>1,577,682</u>	<u>1,552,635</u>
Total	<u>6,871,632</u>	<u>6,712,814</u>

10. Other receivables

	30 Jun 2025 €	31 Dec 2024 €
VAT	<u>72,571</u>	<u>72,258</u>
	<u>72,571</u>	<u>72,258</u>

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

11. Cash at bank

Cash balances are analysed as follows:

	30 Jun 2025 €	31 Dec 2024 €
Cash at bank	<u>87</u>	<u>46</u>
	<u>87</u>	<u>46</u>

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

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS for the period 1 January 2025 to 30 Jun 2025

12. Share capital

	2025 Number of shares	2025 €	2024 Number of shares	2024 €
Authorised				
Ordinary shares of €1 each	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid				
Balance at 1 January	1,000,000	1,000,000	1,000,000	1,000,000
Balance at 30 June/31 December	1,000,000	1,000,000	1,000,000	1,000,000

13. Borrowings

	30 Jun 2025 €	31 Dec 2024 €
Non-current borrowings		
Loan from parent company (Note 15.1)	6,108,212	5,965,501
	6,108,212	5,965,501

Maturity of non-current borrowings:

	30 Jun 2025 €	31 Dec 2024 €
Between two and five years	6,108,212	5,965,501

14. Trade and other payables

	30 Jun 2025 €	31 Dec 2024 €
Trade payables	25,881	5,460
Accruals	5,241	7,142
	31,122	12,602

15. Related party transactions

The following transactions were carried out with related parties:

15.1 Loans from related parties (Note 13)

Name	30 Jun 2025 €	31 Dec 2024 €
BBF Global Limited	6,108,212	5,965,501
	6,108,212	5,965,501

The loan from BBF Global Ltd bears interest at the rate of 4.5% per annum and is repayable on 09/04/2027. The loan is unsecured.

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

for the period 1 January 2025 to 30 Jun 2025

16. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 30 June 2025 and 25 June 2025 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

	30 June 2025 %	25 June 2025 %
Vadim Romanov	49.95	49.95
Stelios Loizou	49.95	49.95

17. Commitments

The Company had no capital or other commitments as at 30 June 2025.

18. Events after the reporting period

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

Independent auditor's report on page 2