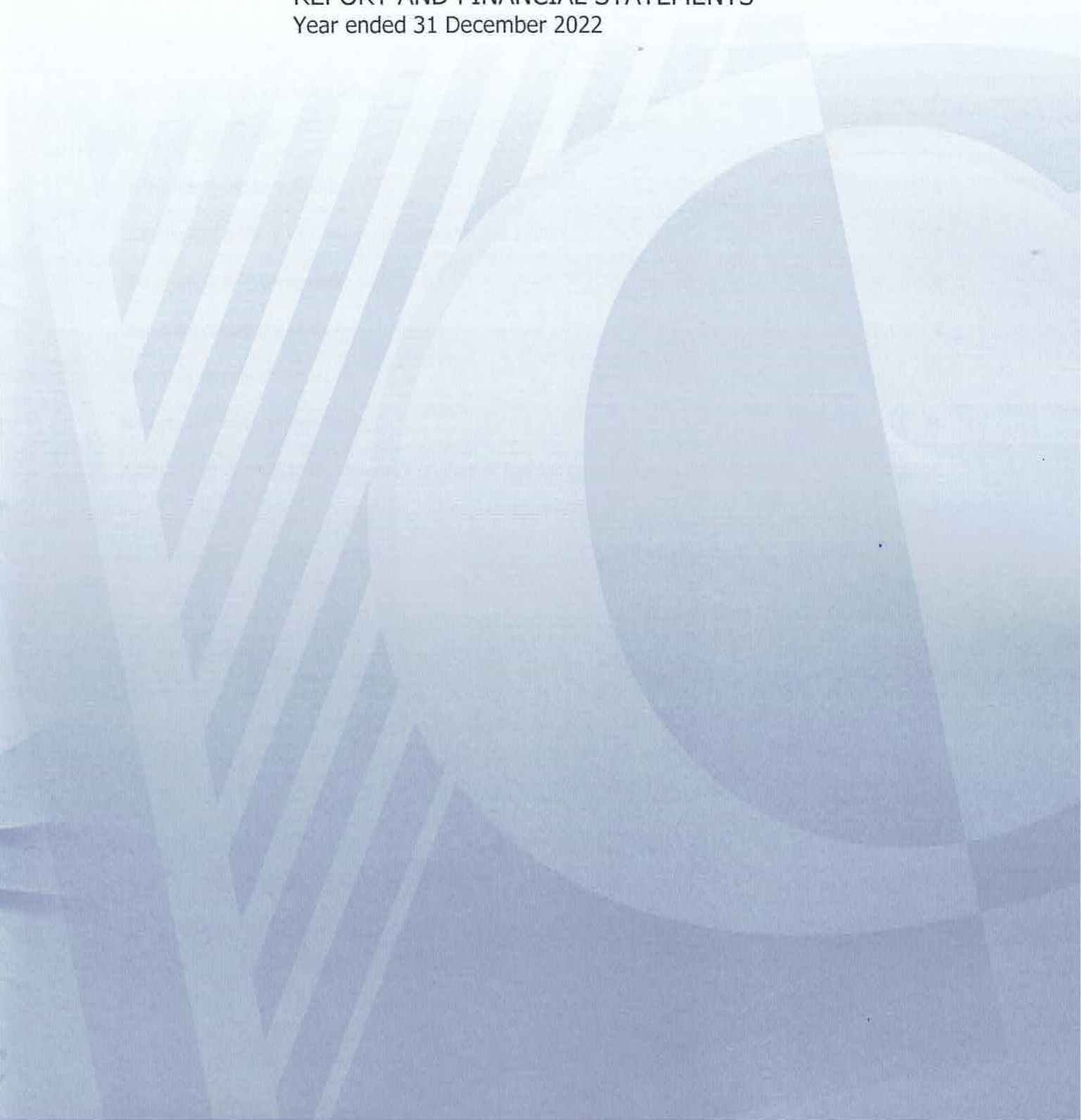


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SYNERGIA LTD

REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2022



REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2022

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SYNERGIA LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Rafal Grzegorz Konopka
Lampros Andreadis (Appointed 29 July 2022)

Company Secretary:

Valia Secretarial Limited

Independent Auditors:

P. Constantinou & Co Ltd
Certified Public Accountants
Corner of Charalambou Fteroudi & Tiranoktonon
Agios Athanasios 4104
Limassol
Cyprus

Registered office:

Nikodimou Milona 28
3095 Limassol
Cyprus

Registration number:

HE386933

SYNERGIA LTD

MANAGEMENT REPORT

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

Principal activity and nature of operations of the Company

The principal activity of the Company is to be a private electricity supplier. The company did not have any activity during the year, however has commenced its trading activities in 2023.

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

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

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 19 of the financial statements.

Results

The Company's results for the year are set out on page 7.

Dividends

The Board of Directors does not recommend the payment of a dividend.

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

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.

Operating Environment of the Company

Any significant events that relate to the operating environment of the Company are described in note 19 to the financial statements.

Events after the reporting period

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

Independent Auditors

The Independent Auditors, P. Constantinou & Co 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,



Rafal Grzegorz Konopka
Director

Limassol, 6 July 2023



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Independent Auditor's Report

To the Members of Synenergia Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Synenergia Ltd (the "Company"), which are presented in pages 7 to 21 and comprise the statement of financial position as at 31 December 2022, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 4 to the financial statements which indicates that the Company incurred a loss of €74.634 during the year ended 31 December 2022, and, as of that date the Company's liabilities exceeded its assets by €89.372. As stated in note 4, these events or conditions, along with other matters as set forth in note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



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Independent Auditor's Report (continued)

To the Members of Synenergia Ltd

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of profit or loss and other comprehensive income in pages 22 to 26, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



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Independent Auditor's Report (continued)

To the Members of Synenergia Ltd

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

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

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

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



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Independent Auditor's Report (continued)

To the Members of Synenergia Ltd

Other Matter

This report, including the opinion, has been prepared for and only for the Company'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.

Panayiotis M. Constantinou
Certified Public Accountant and Registered Auditor
for and on behalf of
P. Constantinou & Co Ltd
Certified Public Accountants

Limassol, 6 July 2023

SYNERGIA LTD

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

	Note	2022 €	2021 €
Administration expenses		<u>(70.963)</u>	(74.410)
Operating loss	8	(70.963)	(74.410)
Net finance costs	10	<u>(3.671)</u>	(1.544)
Loss before tax		(74.634)	(75.954)
Tax	11	<u>-</u>	-
Net loss for the year		(74.634)	(75.954)
Other comprehensive income		<u>-</u>	-
Total comprehensive loss for the year		<u>(74.634)</u>	(75.954)

The notes on pages 11 to 21 form an integral part of these financial statements.

SYNERGIA LTD

STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 €	2021 €
ASSETS			
Non-current assets			
Right-of-use assets	12	6.868	14.610
Intangible assets	13	<u>66.685</u>	<u>67.118</u>
		73.553	81.728
Current assets			
Receivables	14	2.150	979
Cash at bank	15	<u>256.763</u>	<u>2.256</u>
		258.913	3.235
Total assets		<u>332.466</u>	<u>84.963</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	200.000	200.000
Accumulated losses		<u>(289.372)</u>	<u>(214.738)</u>
Total equity		<u>(89.372)</u>	<u>(14.738)</u>
Non-current liabilities			
Lease liabilities	17	<u>4.314</u>	<u>12.855</u>
		4.314	12.855
Current liabilities			
Trade and other payables	18	411.138	79.398
Lease liabilities	17	<u>6.386</u>	<u>7.448</u>
		417.524	86.846
Total liabilities		<u>421.838</u>	<u>99.701</u>
Total equity and liabilities		<u>332.466</u>	<u>84.963</u>

On 6 July 2023 the Board of Directors of Synenergia Ltd authorised these financial statements for issue.


.....
Rafal Grzegorz Konopka
Director


.....
Lampros Andreadis
Director

The notes on pages 11 to 21 form an integral part of these financial statements.

SYNERGIA LTD

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2022

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2021	200.000	(138.784)	61.216
Comprehensive income			
Net loss for the year	-	(75.954)	(75.954)
Balance at 31 December 2021/ 1 January 2022	200.000	(214.738)	(14.738)
Comprehensive income			
Net loss for the year	-	(74.634)	(74.634)
Balance at 31 December 2022	200.000	(289.372)	(89.372)

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 11 to 21 form an integral part of these financial statements.

SYNERGIA LTD

CASH FLOW STATEMENT

Year ended 31 December 2022

	Note	2022 €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(74.634)	(75.954)
Adjustments for:			
Depreciation of property, plant and equipment	12	5.558	7.305
Amortisation of website	13	1.190	1.190
Amortisation of trademarks	13	43	43
Interest expense	10	231	556
		(67.612)	(66.860)
Changes in working capital:			
(Increase)/decrease in receivables		(1.171)	70
Increase in trade and other payables		324.095	66.793
Cash generated from operations		255.312	3
Interest paid		(5)	(4)
Net cash generated from/(used in) operating activities		255.307	(1)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	13	(800)	-
Net cash used in investing activities		(800)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash and cash equivalents		254.507	(1)
Cash and cash equivalents at beginning of the year		2.256	2.257
Cash and cash equivalents at end of the year	15	256.763	2.256

The notes on pages 11 to 21 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

1. Incorporation and principal activities

Country of incorporation

The Company Synenergia Ltd (the "Company") was incorporated in Cyprus on 26 July 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Nikodimou Milona 28, 3095 Limassol, Cyprus.

Principal activity

The principal activity of the Company is to be a private electricity supplier. The company did not have any activity during the year, however has commenced its trading activities in 2023.

2. Basis of preparation

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

3. Adoption of new or revised standards and interpretations

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

4. Significant accounting policies

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

Going concern basis

The Company incurred a loss of €74.634 for the year ended 31 December 2022, and, as of that date the Company's liabilities exceeded its assets by €89.372. The Company is dependent upon the continuing financial support of its related parties without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The related parties have indicated their intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance costs

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

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

4. Significant accounting policies (continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Trademarks

Trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Website

Costs that are directly associated with identifiable and unique website controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently website is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of the website beyond their original specifications is recognised as a capital improvement and added to the original cost of the website. Costs associated with maintenance of the website are recognised as an expense when incurred. Website costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the website is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

4. Significant accounting policies (continued)**Leases**

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

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

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

The Company as lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

4. Significant accounting policies (continued)

Leases (continued)

The Company presents its right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' in the statement of financial position.

The lease liabilities are presented in 'loans and borrowings' in the statement of financial position.

Financial assets

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank. 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.

Share capital

Ordinary shares are classified as equity.

Comparatives

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

5. New accounting pronouncements

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

6. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity 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 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 and deposits with banks and financial institutions.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

6.2 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's exposure to liquidity risk is not considered significant as the majority of the Company's current liabilities are towards the Company's related parties. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

6. Financial risk management (continued)

6.3 Capital risk management

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

7. Critical accounting estimates, judgments and assumptions

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

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

- **Going concern basis**

The assessment of the Company for the appropriateness of the use of the going concern basis is disclosed in note 4.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Critical judgements in applying the Company's accounting policies

- **Impairment of intangible assets**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

SYNERGIA LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

8. Operating loss

	2022	2021
	€	€
Operating loss is stated after charging the following items:		
Amortisation of website (included in "Administration expenses") (Note 13)	1.190	1.190
Amortisation of trademarks (Note 13)	43	43
Depreciation of property, plant and equipment	5.558	7.305
Staff costs (Note 9)	43.003	47.937
Auditors' remuneration - current year	2.000	2.142
Auditors' remuneration - prior years	238	-
Rent	8.540	8.400

9. Staff costs

	2022	2021
	€	€
Salaries	36.850	40.704
Social security costs	5.416	6.419
Social cohesion fund	737	814
	<u>43.003</u>	<u>47.937</u>
Average number of employees	<u>1</u>	<u>1</u>

10. Finance costs

	2022	2021
	€	€
Interest expense on lease liabilities	226	552
Interest expense	5	4
Sundry finance expenses	3.440	988
Finance costs	<u>3.671</u>	<u>1.544</u>

11. Tax

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

	2022	2021
	€	€
Loss before tax	<u>(74.634)</u>	<u>(75.954)</u>
Tax calculated at the applicable tax rates	(9.329)	(9.494)
Tax effect of expenses not deductible for tax purposes	928	1.187
Tax effect of allowances and income not subject to tax	(1.825)	(1.319)
Tax effect of tax loss for the year	<u>10.226</u>	<u>9.626</u>
Tax charge	<u>-</u>	<u>-</u>

The corporation tax rate is 12,5%.

Due to tax losses sustained in the year, no tax liability arises on the Company. As at 31 December 2022, the balance of tax losses which is available for offset against future taxable profits amounts to €282.928.

SYNERGIA LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

12. Right-of-use assets

	Motor vehicles	
	€	
Cost		
Balance at 1 January 2021	36.524	
Balance at 31 December 2021/ 1 January 2022	36.524	
Adjustment to right-of-use asset	(2.184)	
Balance at 31 December 2022	34.340	
Depreciation		
Balance at 1 January 2021	14.610	
Charge for the year	7.304	
Balance at 31 December 2021/ 1 January 2022	21.914	
Charge for the year	5.558	
Balance at 31 December 2022	27.472	
Net book amount		
Balance at 31 December 2022	6.868	
Balance at 31 December 2021	14.610	
Amounts recognised in profit and loss:		
	2022	2021
	€	€
Depreciation expense on right-of-use assets	(5.558)	(7.304)
Interest expense on lease liabilities	(226)	(552)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

13. Intangible assets

	Website €	Trademarks €	Licences €	Total €
Cost				
Balance at 1 January 2021	3.570	857	65.114	69.541
Balance at 31 December 2021/ 1 January 2022	3.570	857	65.114	69.541
Additions	-	-	800	800
Balance at 31 December 2022	3.570	857	65.914	70.341
Amortisation				
Balance at 1 January 2021	1.190	-	-	1.190
Amortisation for the year (Note 8)	1.190	43	-	1.233
Balance at 31 December 2021/ 1 January 2022	2.380	43	-	2.423
Amortisation for the year (Note 8)	1.190	43	-	1.233
Balance at 31 December 2022	3.570	86	-	3.656
Net book amount				
Balance at 31 December 2022	-	771	65.914	66.685
Balance at 31 December 2021	1.190	814	65.114	67.118

14. Receivables

	2022 €	2021 €
Deposits and prepayments	780	979
Refundable VAT	1.370	-
	2.150	979

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

15. Cash at bank

Cash balances are analysed as follows:

	2022 €	2021 €
Cash at bank	256.763	2.256
	256.763	2.256

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

SYNERGIA LTD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

16. Share capital

	2022 Number of shares	2022 €	2021 Number of shares	2021 €
Authorised				
Ordinary shares of €1 each	500.000	500.000	500.000	500.000
Issued and fully paid				
Balance at 1 January	200.000	200.000	200.000	200.000
Balance at 31 December	200.000	200.000	200.000	200.000

17. Lease liabilities

	Minimum lease payments		The present value of minimum lease payments	
	2022 €	2021 €	2022 €	2021 €
Not later than 1 year	6.600	7.854	6.386	7.448
Later than 1 year and not later than 5 years	4.400	13.217	4.314	12.855
	11.000	21.071	10.700	20.303
Future finance charges	(300)	(768)	-	-
Present value of lease liabilities	10.700	20.303	10.700	20.303

It is the Company's policy to lease motor vehicles. The average lease term is 60 months. For year ended 31 December 2022, the average effective borrowing rate was 2,0% (2021: 2,0%%). Interest rates are fixed at the contract date, and thus expose the Company to fair value interest rate risk. 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.

18. Trade and other payables

	2022 €	2021 €
Shareholders' current accounts - credit balances (Note 20.3)	-	75.993
Accruals	3.734	3.405
Payables to related parties (Note 20.2)	407.404	-
	411.138	79.398

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

19. Operating Environment of the Company

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2022

19. Operating Environment of the Company (continued)

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

The impact on the Company largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Company has limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for [please complete accordingly] in case the crisis becomes prolonged.

20. Related party transactions

The following transactions were carried out with related parties:

20.1 Purchases of goods and services

	<u>Nature of transactions</u>	2022 €	2021 €
Classone Holdings Ltd	Management fees	3.570	3.570
Fethlin holding Ltd	Rents	8.540	8.400
		12.110	11.970

20.2 Payables to related parties (Note 18)

	<u>Nature of transactions</u>	2022 €	2021 €
Classone Holdings Ltd	Finance	407.404	-
		407.404	-

The payables to related parties were provided interest free, and there was no specified repayment date.

20.3 Shareholders' current accounts - credit balances (Note 18)

	2022 €	2021 €
Current accounts	-	75.993

21. Contingent liabilities

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2022

22. Commitments

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

23. Events after the reporting period

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

Independent auditor's report on pages 3 to 6

DETAILED INCOME STATEMENT

Year ended 31 December 2022

	Page	2022 €	2021 €
Operating expenses			
Administration expenses	23	<u>(70.963)</u>	(74.410)
Operating loss		<u>(70.963)</u>	(74.410)
Finance costs	24	<u>(3.671)</u>	(1.544)
Net loss for the year before tax		<u><u>(74.634)</u></u>	<u>(75.954)</u>

OPERATING EXPENSES
Year ended 31 December 2022

	2022	2021
	€	€
Administration expenses		
Staff salaries	36.850	40.704
Social security costs	4.772	5.284
Medical fund	644	1.135
Social cohesion fund	737	814
Municipality taxes	111	97
Annual levy	350	350
Insurance	82	82
Repairs and maintenance	222	-
Stationery and printing	255	-
Subscriptions and contributions	500	-
Rent	8.540	8.400
Auditors' remuneration - current year	2.000	2.142
Auditors' remuneration - prior years	238	-
Accounting fees	112	-
Other professional fees	6.936	4.921
Motor vehicle running costs	1.823	1.943
Amortisation of website	1.190	1.190
Amortisation of trademarks	43	43
Depreciation	5.558	7.305
	70.963	74.410

SYNERGIA LTD

FINANCE COSTS

Year ended 31 December 2022

	2022 €	2021 €
Finance costs		
Interest expense		
Interest expense on lease liabilities	226	552
Interest on taxes	5	4
Sundry finance expenses		
Bank charges	3.440	988
	<u>3.671</u>	<u>1.544</u>

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FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 31 DECEMBER 2022

FOR THE YEAR ENDED 31 DECEMBER 2022

2022 Annual Report

2022 Annual Report

SYNERGIA LTD**COMPUTATION OF WEAR AND TEAR ALLOWANCES**

Year ended 31 December 2022

	Year	%	COST			ANNUAL ALLOWANCES				Net value 31-Dec-22 €	
			Balance 01-Jan-22 €	Additions for the year €	Disposals for the year €	Balance 31-Dec-22 €	Balance 01-Jan-22 €	Charge for the year €	On disposals €		Balance 31-Dec-22 €
Website											
Website	2020	33	3,570	-	-	3,570	2,380	1,190	-	3,570	-
			3,570	-	-	3,570	2,380	1,190	-	3,570	-
Trademarks											
Trademarks	2019	5	857	-	-	857	43	43	-	86	771
			857	-	-	857	43	43	-	86	771
Licences											
Licence for Electricity Supplier P00009/2019	2019	-	65,114	800	-	65,914	-	-	-	-	65,914
			65,114	800	-	65,914	-	-	-	-	65,914
Total intangible assets			69,541	800	-	70,341	2,423	1,233	-	3,656	66,685

SYNERGIA LTD

COMPUTATION OF CORPORATION TAX

Year ended 31 December 2022

Net loss per income statement	Page	€	€
<u>Add:</u>	22		(74.634)
Amortisation		1.233	
Depreciation of right-of-use assets		5.558	
Annual levy		350	
Interest on taxes		5	
Interest expenses on lease liabilities		226	
Other non-allowable expenses		50	
		<u>7.422</u>	
			(67.212)
<u>Less:</u>			
Annual wear and tear allowances	25	1.233	
Benefit from transactions falling under Article 33		5.716	
Lease payments for right of use assets		7.645	
		<u>14.594</u>	
Net loss for the year			(81.806)
Loss brought forward			<u>(201.122)</u>
Loss carried forward			<u>(282.928)</u>

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

Tax year	Profits/(losses) for the tax year
	€
2017	-
2018	-
2019	(30.947)
2020	(93.169)
2021	(77.006)
2022	(81.806)

Net loss carried forward (282.928)



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