

**TAX FILE COPY**  
**ADVANCEDAUDIT & TAX CONSULTING (P.P.) LTD**

**PRIMEORE LTD**

**REPORT AND FINANCIAL STATEMENTS**

31 December 2022

# PRIMEORE LTD

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Artem Mitsynskyy  
Mikaella Kyprianou  
Vitalii Kravchenko  
Serhii Maksymenko  
Olexandr Kotlyarenko  
Timur Novikov  
Viktor Skiba

**Company Secretary:**

Amalia Hadjipapa Charalambidou

**Independent Auditors:**

AdvancedAudit & Tax Consulting (P.P.) Ltd  
Certified Public Accountants & Registered Auditors  
4 Petrou Tsirou  
3021, Limassol  
Cyprus

**Registered office:**

Spyrou Kiprianou 5, Vacanas Makedonias Court, Office 501  
Mesa Geitonia  
4001  
Limassol, Cyprus

**Bankers:**

Eurobank Cyprus Ltd  
PrivatBank (Cyprus)

**Registration number:**

HE333058

# PRIMEORE LTD

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## MANAGEMENT REPORT

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

### **Incorporation**

The Company Primeore Ltd was incorporated in Cyprus on 4 June 2014 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

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

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

### **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 considered satisfactory.

### **Principal risks and uncertainties**

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

### **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, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables.

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'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

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

### **Results**

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

### **Dividends**

During the year 2022, the Board of Directors approved the total payment of a preference dividend of €600,000 (2021: €600,000).

### **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.

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.

## MANAGEMENT REPORT

### Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 29 to the financial statements.

### Independent Auditors

The Independent Auditors, AdvancedAudit & Tax Consulting (P.P.) 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,

Artem Mitsynskyy  
Director

Limassol, 27 September 2023





## **Independent Auditor's Report**

### **To the Members of Primeore Ltd**

#### **Report on the Audit of the Financial Statements**

##### **Qualified Opinion**

We have audited the financial statements of Primeore Ltd (the "Company"), which are presented in pages 7 to 30 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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.

In our opinion:

##### i. Separate financial statements

The accompanying separate 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 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 relating to separate financial statements.

##### ii. Impact of non-preparation of consolidated financial statements

As stated in note 2 to the financial statements, the Company has not complied with the requirements of the Cyprus Companies Law, Cap. 113 and of IFRS 10 'Consolidated Financial Statements' which require the preparation and presentation of consolidated financial information of the Company and its subsidiaries (together the 'Group'). In the absence of consolidated financial information, the separate financial statements do not, on their own, provide sufficient information about the financial position, financial performance, and cash flows of the Group as a whole. The impact of the above matter is material but not pervasive.

##### **Basis for Qualified Opinion**

We did not receive sufficient and appropriate audit evidence to confirm the balance due to the company from Sfera Alloys Trading SA as at 31/12/2022.

In addition, we did not receive sufficient and appropriate audit evidence to confirm the balance due by the Company to Ravenscroft Holdings Ltd as at 31/12/2022.

IFRS 10 requires the preparation and presentation of consolidated financial statements. The Companies Law, Cap. 113 also requires, in addition to the preparation and presentation of separate financial statements, the preparation and presentation of consolidated financial statements, both of which must be submitted for audit. As stated in note 2 to the separate financial statements, the Company has not prepared consolidated financial statements. The preparation and presentation of consolidated information, in addition to the separate financial statements, is significant for a proper understanding of the financial position, the financial performance and the cash flows of the Group and for the provision of relevant and faithfully presented financial information as per the principles of the Conceptual Framework of IFRSs and consequently, its omission is material.



## **Independent Auditor's Report (continued)**

### **To the Members of Primeore Ltd**

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

- 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 except as explained in the Basis for Qualified Opinion section of our report above.

#### **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.

*AdvancedAudit & Tax Consulting (P.P.) Ltd*

Panayiotis Papapetrou  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**AdvancedAudit & Tax Consulting (P.P.) Ltd**  
**Certified Public Accountants & Registered Auditors**  
4 Petrou Tsirou  
3021, Limassol  
Cyprus

Limassol, 27 September 2023

## PRIMEORE LTD

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

	Note	2022 €	2021 €
<b>Revenue</b>	8	<b>412,514</b>	3,888,372
Dividend income		-	300,000
Cost of sales		-	<u>(1,428,629)</u>
<b>Gross profit</b>		<b>412,514</b>	2,759,743
Other operating income	9	-	2,216
Selling and distribution expenses		-	(612)
Administration expenses	10	<u>(807,682)</u>	<u>(719,397)</u>
<b>Operating (loss)/profit</b>		<b>(395,168)</b>	2,041,950
Finance income	12	<b>1,244,952</b>	1,085,240
Finance costs	12	<u>(825,570)</u>	<u>(1,154,738)</u>
<b>Profit before tax</b>		<b>24,214</b>	1,972,452
Tax	13	-	<u>(222,334)</u>
<b>Net profit for the year</b>		<b>24,214</b>	1,750,118
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u><b>24,214</b></u>	<u>1,750,118</u>

The notes on pages 11 to 30 form an integral part of these financial statements.

# PRIMEORE LTD

## STATEMENT OF FINANCIAL POSITION

31 December 2022

	Note	2022 €	2021 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	19,913	36,442
Right-of-use assets	16	255,317	319,147
Investments in subsidiaries	17	<u>2,996,895</u>	<u>2,996,895</u>
		<u>3,272,125</u>	<u>3,352,484</u>
<b>Current assets</b>			
Trade and other receivables	18	14,142,979	13,381,629
Refundable taxes	25	14,851	-
Cash at bank and in hand	19	<u>2,892,572</u>	<u>3,962,642</u>
		<u>17,050,402</u>	<u>17,344,271</u>
<b>Total assets</b>		<u>20,322,527</u>	<u>20,696,755</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	20	2,000	2,000
Share premium		439,000	439,000
Redeemable shares	21	600	600
Other reserves		473,988	473,988
Retained earnings		<u>2,230,461</u>	<u>2,806,247</u>
<b>Total equity</b>		<u>3,146,049</u>	<u>3,721,835</u>
<b>Non-current liabilities</b>			
Lease liabilities	23	<u>231,663</u>	<u>304,430</u>
		<u>231,663</u>	<u>304,430</u>
<b>Current liabilities</b>			
Trade and other payables	24	16,206,848	15,931,937
Borrowings	22	665,200	600,215
Lease liabilities	23	72,767	70,648
Current tax liabilities	25	-	67,690
		<u>16,944,815</u>	<u>16,670,490</u>
<b>Total liabilities</b>		<u>17,176,478</u>	<u>16,974,920</u>
<b>Total equity and liabilities</b>		<u>20,322,527</u>	<u>20,696,755</u>

On 27 September 2023 the Board of Directors of Primeore Ltd authorised these financial statements for issue.

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Artem Mitsynskyy  
Director

.....  
Mikaella Kyprianou  
Director

The notes on pages 11 to 30 form an integral part of these financial statements.



## PRIMEORE LTD

### STATEMENT OF CHANGES IN EQUITY

31 December 2022

	Note	Share capital €	Redeemable shares €	Share premium €	Translation reserve €	Retained earnings €	Total €
<b>Balance at 1 January 2021</b>		<b>2,000</b>	<b>600</b>	<b>439,000</b>	<b>473,988</b>	<b>2,871,129</b>	<b>3,786,717</b>
<b>Comprehensive income</b>							
Net profit for the year		-	-	-	-	1,750,118	1,750,118
<b>Transactions with owners</b>							
Dividends	14	-	-	-	-	(1,815,000)	(1,815,000)
<b>Balance at 31 December 2021/ 1 January 2022</b>		<b>2,000</b>	<b>600</b>	<b>439,000</b>	<b>473,988</b>	<b>2,806,247</b>	<b>3,721,835</b>
<b>Comprehensive income</b>							
Net profit for the year		-	-	-	-	24,214	24,214
<b>Transactions with owners</b>							
Dividends	14	-	-	-	-	(600,000)	(600,000)
<b>Balance at 31 December 2022</b>		<b>2,000</b>	<b>600</b>	<b>439,000</b>	<b>473,988</b>	<b>2,230,461</b>	<b>3,146,049</b>

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 30 form an integral part of these financial statements.

# PRIMEORE LTD

## STATEMENT OF CASH FLOWS

31 December 2022

	Note	2022 €	2021 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>24,214</b>	1,972,452
Adjustments for:			
Depreciation of property, plant and equipment	15	<b>80,359</b>	80,360
Unrealised exchange (profit)/loss		<b>(465,118)</b>	77,363
Profit from the sale of property, plant and equipment		-	(2,216)
Dividend income		-	(300,000)
Interest expense	12	<b>39,180</b>	39,773
		<b>(321,365)</b>	1,867,732
<b>Changes in working capital:</b>			
(Increase)/decrease in trade and other receivables		<b>(761,350)</b>	1,879,998
Increase in trade and other payables		<b>274,911</b>	1,101,268
<b>Cash (used in)/generated from operations</b>		<b>(807,804)</b>	4,848,998
Dividends received		-	300,000
Tax paid		<b>(82,541)</b>	(140,000)
<b>Net cash (used in)/generated from operating activities</b>		<b>(890,345)</b>	5,008,998
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment	15	-	(5,199)
Proceeds from disposal of property, plant and equipment	15	-	2,770
<b>Net cash used in investing activities</b>		-	(2,429)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of leases liabilities		<b>(70,648)</b>	(68,590)
Proceeds from borrowings		<b>64,985</b>	-
Interest paid		<b>(39,180)</b>	(13,310)
Dividends paid		<b>(600,000)</b>	(1,815,000)
<b>Net cash used in financing activities</b>		<b>(644,843)</b>	(1,896,900)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,535,188)</b>	3,109,669
Cash and cash equivalents at beginning of the year		<b>3,962,642</b>	930,336
Effect of exchange rate fluctuations on cash held		<b>465,118</b>	(77,363)
<b>Cash and cash equivalents at end of the year</b>	19	<b>2,892,572</b>	3,962,642

The notes on pages 11 to 30 form an integral part of these financial statements.