

**PRIMEORE LTD**

**FINANCIAL STATEMENTS**

31 December 2023

# 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:**

Integrism Limited  
Certified Public Accountants and Registered Auditors  
254 Arch. Leontiou A and Lefkosias street  
Maximos Court Block A, 19-21 Ground floor  
3020 Limassol, Cyprus

**Registered office:**

4 Spyrou Kyprianou Avenue  
Papavasiliou Court, Office 102  
4001 Mesa Geitonia  
Limassol, Cyprus

**Bankers:**

Eurobank Cyprus Ltd

**Registration number:**

HE 333058



Integrisum Limited  
254, Arch. Leontiou A' and  
Lefkosias Street  
Maximos Court, Block A,  
19-21 Ground Floor  
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3510 Limassol, Cyprus  
Tel.: +357 25202630  
E-mail: info@Integrisum.com.cy

## **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 5 to 35 and comprise the statement of financial position as at 31 December 2023, 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 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 2023, 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. 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.



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

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

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

The Company's receivables are carried in the statement of financial position at €8.790.490. We did not obtain sufficient and appropriate audit evidence in order to assess the recoverability on this amount and assess for impairment, under the principles of IFRS 9 'Financial Instruments'. Consequently, we were unable to determine whether any expected credit losses or other adjustments to this amount were necessary.

Furthermore, we did not receive sufficient and appropriate audit evidence to confirm the balance due to other creditors by the Company as at 31.12.2023, in the amount of €1.427.253.

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.

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 separate 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 qualified opinion.

#### **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.

# **IntegrisuM**

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

### **To the Members of Primeore 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.

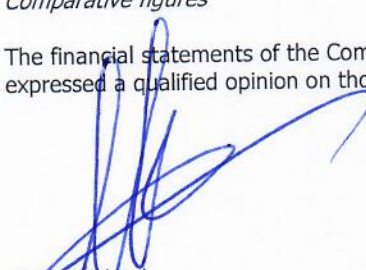
We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Other Matters**

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.

#### *Comparative figures*

The financial statements of the Company for the year ended 31 December 2022 were audited by another auditor who expressed a qualified opinion on those financial statements on 27 September 2023.



Maria Michael  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**IntegrisuM Limited**  
**Certified Public Accountants and Registered Auditors**

Limassol, 25 September 2024

## PRIMEORE LTD

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2023

	Note	2023 €	2022 €
<b>Revenue</b>	9	<b>1.699.590</b>	412.514
Cost of sales		<b>(4.888)</b>	(184)
<b>Gross profit</b>		<b>1.694.702</b>	412.330
Other operating income	10	<b>51.913</b>	-
Selling and distribution expenses		<b>(5.574)</b>	(1.487)
Administration expenses	11	<b>(750.213)</b>	(805.961)
<b>Operating profit/(loss)</b>	12	<b>990.828</b>	(395.118)
Net finance income	14	<b>110.627</b>	419.332
<b>Profit before tax</b>		<b>1.101.455</b>	24.214
Tax	15	<b>(1.668)</b>	-
<b>Net profit for the year</b>		<b>1.099.787</b>	24.214
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>1.099.787</b>	24.214

The notes on pages 9 to 35 form an integral part of these financial statements.

# PRIMEORE LTD

## STATEMENT OF FINANCIAL POSITION 31 December 2023

	Note	2023 €	2022 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	21.754	19.913
Right-of-use assets	18	-	255.317
Investments in subsidiaries	19	<u>2.996.895</u>	<u>2.996.895</u>
		<b>3.018.649</b>	<b>3.272.125</b>
<b>Current assets</b>			
Trade and other receivables	20	15.069.123	14.142.979
Refundable taxes	27	-	14.851
Cash at bank and in hand	21	<u>1.769.985</u>	<u>2.892.572</u>
		<b>16.839.108</b>	<b>17.050.402</b>
		<b>19.857.757</b>	<b>20.322.527</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	22	2.000	2.000
Share premium		439.000	439.000
Redeemable shares	23	600	600
Other reserves		473.988	473.988
Retained earnings		<u>1.580.248</u>	<u>2.230.461</u>
		<b>2.495.836</b>	<b>3.146.049</b>
<b>Non-current liabilities</b>			
Lease liabilities	25	-	231.663
		-	<u>231.663</u>
<b>Current liabilities</b>			
Trade and other payables	26	15.542.887	16.206.848
Borrowings	24	669.034	665.200
Lease liabilities	25	-	72.767
Payable dividends	28	<u>1.150.000</u>	-
		<b>17.361.921</b>	<b>16.944.815</b>
		<b>17.361.921</b>	<b>17.176.478</b>
		<b>19.857.757</b>	<b>20.322.527</b>

On 25 September 2024 the Board of Directors of Primeore Ltd authorised these financial statements for issue.

.....  
Artem Mitsynskyy  
Director

.....  
Mikaella Kyprianou  
Director

The notes on pages 9 to 35 form an integral part of these financial statements.

## PRIMEORE LTD

### STATEMENT OF CHANGES IN EQUITY

31 December 2023

	Note	Share capital €	Redeemable shares €	Share premium €	Translation reserve €	Retained earnings €	Total €
<b>Balance at 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>
Net profit for the year		-	-	-	-	24.214	24.214
Dividends	16	-	-	-	-	(600.000)	(600.000)
<b>Balance at 31 December 2022/ 1 January 2023</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>
Net profit for the year		-	-	-	-	1.099.787	1.099.787
Dividends	16	-	-	-	-	(1.750.000)	(1.750.000)
<b>Balance at 31 December 2023</b>		<b>2.000</b>	<b>600</b>	<b>439.000</b>	<b>473.988</b>	<b>1.580.248</b>	<b>2.495.836</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 9 to 35 form an integral part of these financial statements.



# PRIMEORE LTD

## STATEMENT OF CASH FLOWS

31 December 2023

	Note	2023 €	2022 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>1.101.455</b>	24.214
<b>Profit before tax</b>			
Adjustments for:			
Depreciation of property, plant and equipment	17	5.051	80.359
Unrealised exchange profit		(137.238)	(465.118)
Profit from the sale of property, plant and equipment		(2.801)	-
Dividend income	9	(715.944)	-
Interest income	14	(4.866)	-
Interest expense	14	27.542	39.180
		<b>273.199</b>	(321.365)
<b>Changes in working capital:</b>			
Increase in trade and other receivables		(683.364)	(761.350)
Increase in bank deposits		(1.543.058)	-
(Decrease)/increase in trade and other payables		(73.989)	274.911
<b>Cash used in operations</b>		<b>(2.027.212)</b>	(807.804)
Tax refunded/(paid)		13.183	(82.541)
<b>Net cash used in operating activities</b>		<b>(2.014.029)</b>	(890.345)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment	17	(10.467)	-
Proceeds from disposal of property, plant and equipment	17	6.376	-
Interest received		4.866	-
<b>Net cash generated from investing activities</b>		<b>775</b>	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of leases liabilities		-	(70.648)
Proceeds from borrowings		-	64.985
Unrealised exchange profit		11.846	-
Interest paid		-	(39.180)
Dividends paid		(600.000)	(600.000)
<b>Net cash used in financing activities</b>		<b>(588.154)</b>	(644.843)
<b>Net decrease in cash and cash equivalents</b>		<b>(2.601.408)</b>	(1.535.188)
Cash and cash equivalents at beginning of the year		2.879.272	3.949.342
Effect of exchange rate fluctuations on cash held		(64.237)	465.118
<b>Cash and cash equivalents at end of the year</b>	<b>21</b>	<b>213.627</b>	<b>2.879.272</b>

The notes on pages 9 to 35 form an integral part of these financial statements.