

**PRIMEORE LTD**

**SEPARATE FINANCIAL STATEMENTS**

31 December 2024

# PRIMEORE LTD

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## SEPARATE FINANCIAL STATEMENTS

31 December 2024

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# PRIMEORE LTD

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Artem Mitsynskyy  
Mikaella Kyprianou  
Vitalii Kravchenko (Resigned on 2 October 2024)  
Serhii Maksymenko (Resigned on 2 October 2024)  
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

## **Independent Auditor's Report**

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

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

##### **Qualified Opinion**

We have audited the separate financial statements of parent company Primeore Ltd (the "Company"), which are presented in pages 5 to 35 and comprise the statement of financial position as at 31 December 2024, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes of the separate financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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

The Company's receivables are carried in the statement of financial position at €9.349.784. We did not obtain sufficient and appropriate audit evidence in order to assess the recoverability of 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 amounts were necessary.

Furthermore, we did not receive sufficient and appropriate audit evidence to confirm the balance due to borrowers and other creditors by the Company as at 31.12.2024, in the amount of €2.229.663.

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 Separate 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.

##### **Material Uncertainty Related to Going Concern**

We draw attention to note 5 of the separate financial statements which indicates that even though the Company has made a profit of €157.281 during the year ended 31 December 2024, as of that date the Company's current liabilities exceeded its current assets by €961.365. As stated in note 5, these events or conditions, along with other matters as set forth in note 5, 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.



# **IntegrisuM**

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

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

#### **Responsibilities of the Board of Directors for the Separate Financial Statements**

The Board of Directors is responsible for the preparation of separate financial statements that give a true and fair view in accordance with IFRS Accounting 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 Separate Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate 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 separate financial statements.

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

- Identify and assess the risks of material misstatement of the separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate 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.

# **IntegrisuM**

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

### **To the Members of Primeore 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.



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

Limassol, 24 September 2025



# PRIMEORE LTD

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2024

	Note	2024 €	2023 €
<b>Revenue</b>			
Cost of sales	9	<b>409.498</b> <u>(3.438)</u>	1.699.590 (4.888)
<b>Gross profit</b>		<b>406.060</b>	1.694.702
Other operating income	10	-	51.913
Selling and distribution expenses		<b>(3.556)</b>	(5.574)
Administration expenses	11	<b>(482.670)</b>	(750.213)
Net impairment loss on financial and contract assets		<b>(2.000)</b> <u>-</u>	-
<b>Operating (loss)/profit</b>	12	<b>(82.166)</b>	990.828
Net finance income	14	<b>250.730</b> <u>-</u>	110.627
<b>Profit before tax</b>		<b>168.564</b>	1.101.455
Tax	15	<b>(11.283)</b> <u>-</u>	(1.668)
<b>Net profit for the year</b>		<b>157.281</b>	1.099.787
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<b>157.281</b> <u><u>-</u></u>	<u>1.099.787</u>

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

# PRIMEORE LTD

## STATEMENT OF FINANCIAL POSITION

31 December 2024

	Note	2024 €	2023 €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	17	17.587	21.754
Investments in subsidiaries	18	2.996.895	2.996.895
		<u>3.014.482</u>	<u>3.018.649</u>
<b>Current assets</b>			
Trade and other receivables	19	14.661.755	15.070.225
Cash at bank and in hand	20	437.978	1.769.985
		<u>15.099.733</u>	<u>16.840.210</u>
<b>Total assets</b>		<u>18.114.215</u>	<u>19.858.859</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	21	2.000	2.000
Share premium		439.000	439.000
Redeemable shares	22	600	600
Other reserves		473.988	473.988
Retained earnings		1.137.529	1.580.248
<b>Total equity</b>		<u>2.053.117</u>	<u>2.495.836</u>
<b>Current liabilities</b>			
Trade and other payables	24	15.349.497	15.543.989
Borrowings	23	711.601	669.034
Payable dividends	25	-	1.150.000
		<u>16.061.098</u>	<u>17.363.023</u>
<b>Total liabilities</b>		<u>16.061.098</u>	<u>17.363.023</u>
<b>Total equity and liabilities</b>		<u>18.114.215</u>	<u>19.858.859</u>

On 24 September 2025 the Board of Directors of Primeore Ltd authorised these separate financial statements for issue.

.....  
Artem Mitsynskyy  
Director

.....  
Mikaella Kyprianou  
Director

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



## PRIMEORE LTD

### STATEMENT OF CHANGES IN EQUITY

31 December 2024

	Note	Share capital €	Redeemable shares €	Share premium €	Translation (losses)/ reserve €	Accumulated retained earnings €	Total €
<b>Balance at 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/ 1 January 2024</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>
Net profit for the year		-	-	-	-	157.281	157.281
Dividends	16	-	-	-	-	(600.000)	(600.000)
<b>Balance at 31 December 2024</b>		<b>2.000</b>	<b>600</b>	<b>439.000</b>	<b>473.988</b>	<b>1.137.529</b>	<b>2.053.117</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 separate financial statements.

# PRIMEORE LTD

## STATEMENT OF CASH FLOWS

31 December 2024

	Note	2024 €	2023 €
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		<b>168.564</b>	1.101.455
Adjustments for:			
Depreciation of property, plant and equipment	17	<b>4.554</b>	5.051
Unrealised exchange profit		<b>(176.392)</b>	(137.238)
Profit from the sale of property, plant and equipment		-	(2.801)
Impairment charge on cash and cash equivalents	20	<b>2.000</b>	-
Dividend income	9	-	(715.944)
Interest income	14	<b>(77.654)</b>	(4.866)
Interest expense	14	-	27.542
		<b>(78.928)</b>	273.199
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		<b>1.255.348</b>	(683.364)
Decrease/(increase) in bank deposits		<b>1.572.288</b>	(1.543.058)
Decrease in trade and other payables		<b>(823.357)</b>	(73.989)
<b>Cash generated from/(used in) operations</b>		<b>1.925.351</b>	(2.027.212)
Tax (paid)/refunded		<b>(11.283)</b>	13.183
<b>Net cash generated from/(used in) operating activities</b>		<b>1.914.068</b>	(2.014.029)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of property, plant and equipment	17	<b>(387)</b>	(10.467)
Proceeds from disposal of property, plant and equipment	17	-	6.376
Interest received		<b>77.654</b>	4.866
<b>Net cash generated from investing activities</b>		<b>77.267</b>	775
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Unrealised exchange profit		-	11.846
Dividends paid		<b>(1.750.000)</b>	(600.000)
<b>Net cash used in financing activities</b>		<b>(1.750.000)</b>	(588.154)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>241.335</b>	(2.601.408)
Cash and cash equivalents at beginning of the year		<b>213.627</b>	2.815.035
Effect of exchange rate fluctuations on cash held		<b>(34.530)</b>	-
Impairment charge on cash and cash equivalents		<b>(2.000)</b>	-
<b>Cash and cash equivalents at end of the year</b>	<b>20</b>	<b>418.432</b>	213.627

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



## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Primeore Ltd (the "Company") was incorporated in Cyprus on 4 June 2014 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 4 Spyrou Kyprianou Avenue, Papavasiliou Court, Office 102, 4001 Mesa Geitonia, Limassol, Cyprus.

#### Principal activities

The principal activities of the Company, which are unchanged from last year, are the provision of consulting services to third parties and management services to own subsidiary companies, as well as the holding of investments.

#### 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 separate 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.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Company is not directly exposed. Management will continue to monitor the situation closely and take appropriate actions when and if needed.

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.

Despite the limited direct exposure, the conflict is expected to negatively impact the tourism and services industries in Cyprus. Furthermore, the increasing energy prices, fluctuations in foreign exchange rates, unease in stock market trading, rises in interest rates, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of the Company. The indirect implications will depend on the extent and duration of the crisis and remain uncertain.

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 taking actions in case the crisis becomes prolonged.



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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 2. Basis of preparation

The financial statements of the Company 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 Company is not required by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a medium sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2024.

The European Commission has concluded that since parent companies are required by the EU Accounting (2013/34/EU) Directive to prepare separate financial statements and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IFRS 10 "Consolidated Financial statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

The separate 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. Functional and presentation currency

The separate financial statements are presented in Euro (€) which is the functional currency of the Company.

### 4. Adoption of new or revised standards and interpretations

During the current year 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 2024. This adoption did not have a material effect on the accounting policies of the Company.

### 5. Material accounting policy information

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

Management seeks not to reduce the understandability of these separate financial statements by obscuring material information with immaterial information. Hence, only material accounting policy information is disclosed, where relevant, in the related disclosure notes.

#### Going concern basis

Even though the Company has made a profit of €157.281 for the year ended 31 December 2024, as of that date the Company's current liabilities exceeded its current assets by €961.365. The Company is dependent upon the continuing financial support of its shareholders 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 shareholders 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. Moreover the going-concern basis can be supported from the expected receipts from the subsidiary company under declared dividends and intercompany settlements.



## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 5. Material accounting policy information (continued)

#### Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

#### Revenue

##### Recognition and measurement

Revenue represents the amount of consideration to which the Company expects to be entitled in exchange for transferring the promised goods or services to the customer, excluding amounts collected on behalf of third parties (for example, value-added taxes); the transaction price. The Company includes in the transaction price an amount of variable consideration as a result of rebates/discounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Estimations for rebates and discounts are based on the Company's experience with similar contracts and forecasted sales to the customer.

The Company recognises revenue when the parties have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations, the Company can identify each party's rights and the payment terms for the goods or services to be transferred, the contract has commercial substance (i.e. the risk, timing or amount of the Company's future cash flows is expected to change as a result of the contract), it is probable that the Company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer and when specific criteria have been met for each of the Company's contracts with customers.

The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. In evaluating whether collectability of an amount of consideration is probable, the Company considers only the customer's ability and intention to pay that amount of consideration when it is due.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimates are reflected in the statement of profit or loss and other comprehensive income in the period in which the circumstances that give rise to the revision become known by Management.

##### Identification of performance obligations

The Company assesses whether contracts that involve the provision of a range of goods and/or services contain one or more performance obligations (that is, distinct promises to provide a service) and allocates the transaction price to each performance obligation identified on the basis of its stand-alone selling price. A good or service that is promised to a customer is distinct if the customer can benefit from the good or service, either on its own or together with other resources that are readily available to the customer (that is the good or service is capable of being distinct) and the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (that is, the good or service is distinct within the context of the contract).

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.



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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 5. Material accounting policy information (continued)

#### Revenue (continued)

- **Rendering of services**

*Rendering of services - over time:*

Revenue from rendering of services is recognised over time while the Company satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

*Rendering of services - at a point in time:*

The Company concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Interest income**

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

- **Dividend income**

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

#### 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 income

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

#### Finance costs

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

#### Foreign currency translation

**(1) Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.



## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 5. Material accounting policy information (continued)

#### Foreign currency translation (continued)

##### (2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and approved by the Company's Directors.

#### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

Furniture, fixtures and office equipment	%
Computer hardware	10
	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### 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;



## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 5. Material accounting policy information (continued)

#### Leases (continued)

- 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

##### *Short-term leases and leases of low-value assets*

The Company has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets (i.e. IT equipment, office equipment etc.). The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

#### **Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### **Financial assets - Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

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

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

All other financial assets are classified as measured at FVTPL.



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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 5. Material accounting policy information (continued)

#### Financial assets - Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

#### Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

#### Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

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

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

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.



## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 5. Material accounting policy information (continued)

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

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 7, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 7, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 7, Credit risk section for a description of how the Company determines low credit risk financial assets.

#### Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

#### Cash and cash equivalents

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

#### Classification as financial assets at amortised cost

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

#### Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 7, Credit risk section.



## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 5. Material accounting policy information (continued)

#### Classification as trade receivables (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

#### Financial liabilities - measurement categories

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

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

#### Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

#### Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

#### Prepayments

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

#### Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.



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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 5. Material accounting policy information (continued)

#### Preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity on approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

#### Provisions

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

#### Non-current liabilities

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

#### Comparatives

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

### 6. New accounting pronouncements

At the date of approval of these separate 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 separate financial statements of the Company.

### 7. Financial risk management

#### Financial risk factors

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

##### 7.1 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.



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2024

**7. Financial risk management (continued)****7.1 Interest rate risk (continued)**

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

	2024 €	2023 €
<b>Fixed rate instruments</b>		
Financial assets	-	1.542.508
Financial liabilities	<u>(711.601)</u>	<u>(669.034)</u>
	<u>(711.601)</u>	<u>873.474</u>

*Sensitivity analysis*

Any increase/(decrease) in interest rates will have no effect on results and equity of the Company, because, all financial instruments are fixed rate.

**7.2 Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, 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.

*(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'.

If debtor/borrower are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the debtor/borrower, 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.

*(ii) Impairment of financial assets*

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

- trade receivables
- contract assets
- cash and cash equivalents

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

- For trade receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.



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**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
31 December 2024**7. Financial risk management (continued)****7.2 Credit risk (continued)***(ii) Impairment of financial assets (continued)*

- For all other financial assets that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial asset that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

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

*Significant increase in credit risk*

The Company considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's/borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor/borrower
- significant increases in credit risk on other financial instruments of the same debtor/borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the debtor/borrower, including changes in the payment status of counterparty in the Company and changes in the operating results of the debtor/borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

*Low credit risk*

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



**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2024

**7. Financial risk management (continued)****7.2 Credit risk (continued)***(ii) Impairment of financial assets (continued)**Default*

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

*Write-off*

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 360 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

**Trade receivables and contract assets**

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, and contract assets).

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for both trade receivables and contract assets:

**31 December 2024**

	Current €	1 - 30 days past due €	31 - 90 days past due €	91 - 180 days past due €	More than 180 days past due €	Total €
Gross carrying amount - trade receivables	-	4.641	-	-	-	<b>4.641</b>
Gross carrying amount - contract assets	-	-	-	-	-	-

# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 7. Financial risk management (continued)

#### 7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

##### Receivables from related parties

For receivables from related parties lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to related parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2024 and 31 December 2023:

Company internal credit rating	2024	2023
	€	€
Performing	4.997.307	829.500
<b>Total</b>	<b>4.997.307</b>	<b>829.500</b>

The Company does not hold any collateral as security for any receivables from related parties.

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

##### Other receivables

For other receivables lifetime ECL was provided for them upon initial application of IFRS 9 until these financial assets are derecognised as it was determined on initial application of IFRS 9 that it would require undue cost and effort to determine whether their credit risk has increased significantly since initial recognition to the date of initial application of IFRS 9.

For any new loans to third parties, which are not purchased or originated credit-impaired financial assets, the impairment loss is recognised as 12-month ECL on initial recognition of such instruments and subsequently the Company assesses whether there was a significant increase in credit risk.

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2024 and 31 December 2023:

Company internal credit rating	2024	2023
	€	€
Underperforming	293.580	-
Not performing	9.349.784	-
<b>Total</b>	<b>9.643.364</b>	<b>-</b>

The Company does not hold any collateral as security for any other receivables.

##### 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.



# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 7. Financial risk management (continued)

#### 7.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

#### Cash and cash equivalents (continued)

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

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2024 and 31 December 2023:

Company internal credit rating	External credit rating	2024	2023
		€	€
Performing	Baa2	429.279	-
Performing	Baa3	-	1.759.888
Not rated		2.016	4.016
<b>Total</b>		<b>431.295</b>	<b>1.763.904</b>

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 year that are subject to enforcement activity.

(iii) Net impairment losses on financial and contract assets recognised in profit or loss

During the year, the following gains/(losses) were recognised in profit or loss in relation to impaired financial assets and contract assets:

Impairment losses	2024	2023
	€	€
Impairment charge on cash and cash equivalents	(2.000)	-
<b>Net impairment loss on financial and contract assets</b>	<b>(2.000)</b>	<b>-</b>

#### 7.3 Liquidity risk

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

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.

# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 7. Financial risk management (continued)

#### 7.3 Liquidity risk (continued)

31 December 2024	Carrying amounts	Contractual cash flows	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€
Other loans	711.601	711.601	711.601	-	-	-
Trade and other payables	15.262.237	15.262.237	15.262.237	-	-	-
	<b>15.973.838</b>	<b>15.973.838</b>	<b>15.973.838</b>	-	-	-

  

31 December 2023	Carrying amounts	Contractual cash flows	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€
Other loans	669.034	669.034	669.034	-	-	-
Trade and other payables	14.534.367	14.534.367	14.534.367	-	-	-
Payables to related parties	920.787	920.787	920.787	-	-	-
	<b>16.124.188</b>	<b>16.124.188</b>	<b>16.124.188</b>	-	-	-

#### 7.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

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

	Liabilities		Assets	
	2024	2023	2024	2023
	€	€	€	€
United States Dollars	(13.693.928)	(12.874.771)	13.961.604	15.942.730
Ukrainian Hryvni	(1.219.228)	(1.268.875)	-	-
Polish zloty	-	-	771.930	760.456
	<b>(14.913.156)</b>	<b>(14.143.646)</b>	<b>14.733.534</b>	<b>16.703.186</b>

#### Sensitivity analysis

A 10% strengthening of the Euro against the following currencies at 31 December 2024 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. For a 10% weakening of the Euro against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	Equity		Profit or loss	
	2024	2023	2024	2023
	€	€	€	€
United States Dollars	26.767	(306.796)	26.767	(306.796)
Ukrainian Hryvni	121.923	126.887	121.923	126.887
Polish zloty	(77.193)	(76.046)	(77.193)	(76.046)
	<b>71.497</b>	<b>(255.955)</b>	<b>71.497</b>	<b>(255.955)</b>



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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 7. Financial risk management (continued)

#### 7.5 Other risks

The general economic environment prevailing in Cyprus and internationally may affect the Company's operations to a great extent. Economic conditions such as inflation, unemployment, and development of the gross domestic product are directly linked to the economic course of every country and any variation in these and the economic environment in general may create chain reactions in all areas hence affecting the Company.

### 8. Critical accounting estimates, judgments and assumptions

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

#### *Critical accounting estimates and assumptions*

The 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**

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

- **Calculation of loss allowance**

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

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

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

- **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 investments in subsidiaries**

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

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**

31 December 2024

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

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 7, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial 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.

**9. Revenue**

The Company derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

**Disaggregation of revenue**

	2024	2023
	€	€
Rendering of services	409.498	983.646
Dividend from overseas	-	715.944
	<u>409.498</u>	<u>1.699.590</u>

**10. Other operating income**

	2024	2023
	€	€
Income from derecognition of lease liability	-	49.112
Other operating income	-	2.801
	<u>-</u>	<u>51.913</u>

During the year the Management of the Company resolved to write-off long outstanding due balances for which the Company received no claim for repayment for the last ten years and is not expected that the said balances will be due for settlement.



# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 11. Administration expenses

	2024	2023
	€	€
Staff costs	428.204	624.699
Rent	15.600	48.188
Common expenses	-	975
Municipality taxes	-	2.106
Annual levy	-	350
Electricity	2.088	3.731
Water supply and cleaning	1.204	3.078
Insurance	363	175
Repairs and maintenance	66	279
Sundry expenses	1.002	1.889
Telephone and postage	4.758	6.970
Courier expenses	288	1.094
Stationery and printing	638	570
Subscriptions and contributions	2.000	-
Computer software	8.241	19.032
Auditors' remuneration - current year	4.600	4.600
Auditors' remuneration - prior years	(100)	-
Accounting fees	3.600	3.600
Legal and professional	4.036	18.970
Secretarial fees	-	756
Fines	206	-
Carriage and clearing	1.322	4.100
Depreciation	4.554	5.051
	<u>482.670</u>	<u>750.213</u>

### 12. Operating (loss)/profit

	2024	2023
	€	€
Operating (loss)/profit is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 17)	4.554	5.051
Staff costs including Directors in their executive capacity (Note 13)	428.204	624.699
Auditors' remuneration - current year	4.600	4.600
Auditors' remuneration - prior years	(100)	-

### 13. Staff costs

	2024	2023
	€	€
Salaries	390.873	572.894
Social security costs	19.765	26.880
GHS contribution	9.748	13.922
Social cohesion fund	7.818	11.003
	<u>428.204</u>	<u>624.699</u>

Average number of employees (including Directors in their executive capacity)	<u>4</u>	<u>8</u>
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# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 14. Finance income/(costs)

	2024	2023
	€	€
Interest income	77.654	4.866
Exchange profit	1.101.475	670.038
<b>Finance income</b>	<b>1.179.129</b>	<b>674.904</b>
Net foreign exchange losses	(925.083)	(532.800)
Interest expense	-	(27.542)
Sundry finance expenses	(3.316)	(3.935)
<b>Finance costs</b>	<b>(928.399)</b>	<b>(564.277)</b>
<b>Net finance income</b>	<b>250.730</b>	<b>110.627</b>

### 15. Tax

	2024	2023
	€	€
Corporation tax - prior years	-	208
Defence contribution - current year	11.283	1.460
<b>Charge for the year</b>	<b>11.283</b>	<b>1.668</b>

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

	2024	2023
	€	€
Profit before tax	168.564	1.101.455
Tax calculated at the applicable tax rates	21.071	137.682
Tax effect of expenses not deductible for tax purposes	116.480	70.469
Tax effect of allowances and income not subject to tax	(147.961)	(180.627)
Tax effect of tax loss for the year	10.410	(27.524)
Defence contribution current year	11.283	1.460
Prior year tax	-	208
<b>Tax charge</b>	<b>11.283</b>	<b>1.668</b>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 17%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.



# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 16. Dividends

	2024	2023
	€	€
Final dividend paid	-	1.150.000
Preference dividends	<b>600.000</b>	<b>600.000</b>
	<b>600.000</b>	<b>1.750.000</b>

During the year 2024 the Board of Directors approved the payment of a preference dividend of €600.000 (2023: €600.000).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. Dividends payable to non-residents of Cyprus are not subject to such a deduction.

### 17. Property, plant and equipment

	Furniture, Computer fixtures and hardware office equipment		Total
	€	€	€
<b>Cost</b>			
Balance at 1 January 2023	39.874	62.714	102.588
Additions	7.199	3.268	10.467
Disposals	(11.916)	-	(11.916)
<b>Balance at 31 December 2023/ 1 January 2024</b>	<b>35.157</b>	<b>65.982</b>	<b>101.139</b>
Additions	206	181	387
<b>Balance at 31 December 2024</b>	<b>35.363</b>	<b>66.163</b>	<b>101.526</b>
<b>Depreciation</b>			
Balance at 1 January 2023	21.500	61.175	82.675
Charge for the year	3.516	1.535	5.051
On disposals	(8.341)	-	(8.341)
<b>Balance at 31 December 2023/ 1 January 2024</b>	<b>16.675</b>	<b>62.710</b>	<b>79.385</b>
Charge for the year	3.536	1.018	4.554
<b>Balance at 31 December 2024</b>	<b>20.211</b>	<b>63.728</b>	<b>83.939</b>
<b>Net book amount</b>			
<b>Balance at 31 December 2024</b>	<b>15.152</b>	<b>2.435</b>	<b>17.587</b>
<b>Balance at 31 December 2023</b>	<b>18.482</b>	<b>3.272</b>	<b>21.754</b>

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	2024	2023
	€	€
Net book amount	-	3.575
Profit from the sale of property, plant and equipment	-	2.801
Proceeds from disposal of property, plant and equipment	-	6.376

# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 18. Investments in subsidiaries

	2024 €	2023 €
Balance at 1 January	<u>2.996.895</u>	<u>2.996.895</u>
<b>Balance at 31 December</b>	<b><u>2.996.895</u></b>	<b><u>2.996.895</u></b>

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2024 Holding %	2023 Holding %	2024 €	2023 €
LLC Production Ukraine Innovation Trading	Ukraine	Commodity trading	100	100	<b>320.406</b>	320.406
Primeore Trading (Polska) Spolka Zoo	Poland	Commodity trading	100	100	<u><b>2.676.489</b></u>	<u>2.676.489</u>
					<b><u>2.996.895</u></b>	<u>2.996.895</u>

The investments are stated at cost.

### 19. Trade and other receivables

	2024 €	2023 €
Trade receivables	<b>4.641</b>	13.923
Receivables from own subsidiaries (Note 26.4)	<b>4.922.677</b>	829.500
Shareholders' current accounts - debit balances (Note 26.5)	<b>11.513</b>	1.102
Receivables from other related parties (Note 26.4)	<b>74.630</b>	-
Deposits and prepayments	<b>4.930</b>	2.530
Other receivables	<b>9.643.364</b>	14.216.200
Refundable VAT	-	6.970
	<b><u>14.661.755</u></b>	<u>15.070.225</u>

Ageing of past due but not impaired trade and other receivables:

	2024 €	2023 €
Up to 30 days	<b>4.641</b>	573.278
More than 180 days	<b><u>9.643.384</u></b>	<u>13.656.845</u>
	<b><u>9.648.025</u></b>	<u>14.230.123</u>

The Company does not hold any collateral over the trading balances.



# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 19. Trade and other receivables (continued)

The Company trade and other receivables are denominated in the following currencies:

	2024	2023
	€	€
United States Dollars	13.580.615	14.216.200
Euro	309.210	93.569
Polish zloty	771.930	760.456
	<u>14.661.755</u>	<u>15.070.225</u>

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

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

### 20. Cash at bank and in hand

Cash balances are analysed as follows:

	2024	2023
	€	€
Cash at bank and in hand	420.432	213.627
Bank deposits	19.546	1.556.358
Accumulated impairment losses on cash and cash equivalents	(2.000)	-
	<u>437.978</u>	<u>1.769.985</u>

The effective interest rate on short-term bank deposits was 0%-4% (2023: 0%-4%) and these deposits have an average maturity between 3 and 12 months.

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

### 21. Share capital

	2024 Number of shares	2024 €	2023 Number of shares	2023 €
<b>Authorised</b>				
Ordinary shares of €1 each	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>
<b>Issued and fully paid</b>				
Balance at 1 January	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>
<b>Balance at 31 December</b>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>	<u>2.000</u>

# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 22. Redeemable shares

	2024 Number of shares	2024 €	2023 Number of shares	2023 €
<b>Authorised</b>				
Redeemable shares of €1 each	600	600	600	600
	<b>600</b>	<b>600</b>	600	600
<b>Issued and fully paid</b>				
Redeemable "A" shares-				
Balance at 1 January	600	600	600	600
<b>Balance at 31 December</b>	<b>600</b>	<b>600</b>	600	600

The rights attaching to the redeemable shares are as follows:

- the right to receive dividends on a privileged basis;
- the right on a return of capital or on a winding up to receive an amount equal to its nominal value in priority of any distribution or payment to the holders of the Ordinary shares;
- the right to information of the Company and its Subsidiaries; and
- non-voting rights.

### 23. Borrowings

	2024 €	2023 €
Balance at 1 January	669.034	665.200
Interest charge	-	27.542
Exchange difference	42.567	(23.708)
<b>Balance at 31 December</b>	<b>711.601</b>	669.034
<b>Current borrowings</b>		
Other loans	711.601	669.034

Other loan is denominated in United States Dollars and is repayable on demand.



# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 24. Trade and other payables

	2024	2023
	€	€
Trade payables	3.681	2.755
Social insurance and other taxes	16.800	61.907
VAT	533	-
Shareholders' current accounts - credit balances (Note 26.6)	-	920.787
Accruals	69.904	26.746
Other creditors	15.258.556	14.531.612
Defence and GHS contribution on rent payable	23	182
	<u>15.349.497</u>	<u>15.543.989</u>

The Company trade and other payables are denominated in the following currencies:

	2024	2023
	€	€
United States Dollars	12.982.327	12.205.738
Euro	1.147.942	2.069.376
Ukrainina Hryvni	1.219.228	1.268.875
	<u>15.349.497</u>	<u>15.543.989</u>

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

### 25. Payable dividends

	2024	2023
	€	€
Balance at 1 January	1.150.000	-
Dividends for the year	600.000	1.750.000
Payments	(1.750.000)	(600.000)
<b>Balance at 31 December</b>	<u>-</u>	<u>1.150.000</u>

### 26. Related party transactions

The Company is controlled by Mr Timur Novikov, resident in Switzerland, who owns 39% of the Company's shares and Mr Viktor Skiba and Mr Olexandr Kotlyarenko resident in Cyprus, who own 25,5% of the Company's shares each.

The following transactions were carried out with related parties:

#### 26.1 Directors' remuneration

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

	2024	2023
	€	€
Directors' fees	-	22.590
Directors' remuneration	234.741	273.001
	<u>234.741</u>	<u>295.591</u>

# PRIMEORE LTD

## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2024

### 26. Related party transactions (continued)

#### 26.2 Sales of services

	<u>Nature of transactions</u>	2024 €	2023 €
Primeore Trading (Polska) Spolka Zoo - subsidiary company	Trade	362.698	412.624
		<u>362.698</u>	<u>412.624</u>

#### 26.3 Dividend income

	<u>Nature of transactions</u>	2024 €	2023 €
Primeore Trading (Polska) Spolka Zoo - subsidiary company	Trade	-	715.944
		<u>-</u>	<u>715.944</u>

#### 26.4 Receivables from related parties (Note 19)

<u>Name</u>	<u>Nature of transactions</u>	2024 €	2023 €
Primeore Trading (Polska) Spolka Zoo	Trade	4.922.677	829.500
Alviks Investments Ltd	Trade	74.630	-
		<u>4.997.307</u>	<u>829.500</u>

The receivables from related parties were provided interest free and there was no specified repayment date.

#### 26.5 Shareholders' current accounts - debit balances (Note 19)

	2024 €	2023 €
Shareholders' current accounts	<u>11.513</u>	<u>1.102</u>

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

#### 26.6 Shareholders' current accounts - credit balances (Note 24)

	2024 €	2023 €
Shareholders' current accounts	<u>-</u>	<u>920.787</u>

During the year following assignment agreements signed between the Company and related companies, namely Miloria Ventures Ltd and Glimmer Enterprises Ltd, the shareholder account balance in the amount of €947.800 was assigned to the said parties and was fully settled during the year.

### 27. Contingent liabilities

As at 31 December 2024 the Company had contingent liabilities in respect of bank guarantees arising in the ordinary course of business from which the Board of Directors is not anticipating that material liability will arise. These guarantees amounted to €3.850 (2023: €3.850).

The total amounts of contingent liabilities of the Company are as follows:

	2024 €	2023 €
Within one year	<u>3.850</u>	<u>3.850</u>
	<u>3.850</u>	<u>3.850</u>



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## NOTES TO THE SEPARATE FINANCIAL STATEMENTS

### 31 December 2024

#### **28. Commitments**

The Company had no capital or other commitments as at 31 December 2024.

#### **29. Events after the reporting period**

As explained in note 1 the geopolitical situation in Eastern Europe and the Middle East remains intense with the continuation of the conflict between Russia and Ukraine and the Israel-Gaza conflict. As at the date of authorising these separate financial statements for issue, the conflicts continue to evolve as military activity proceeds and additional sanctions are imposed.

Depending on the duration of the conflict between Russia and Ukraine, the Israel-Gaza conflict and continued negative impact on economic activity, the Company might experience further negative results, and liquidity restraints and incur additional impairments on its assets in 2025 which relate to new developments that occurred after the reporting period.

The exact impact on the Company's activities in 2025 and thereafter cannot be predicted.

Except from the matter mentioned above, there were no other material events after the reporting period, which have a bearing on the understanding of the separate financial statements.

**Independent auditor's report on pages 2 to 4**