

ELLAKTOR VENTURES LIMITED
3 Theokritou, Maroulla Court, Flat 1, Agios Antonios
1060 Nicosia
Cyprus

HE 295994

REPORT AND FINANCIAL STATEMENTS

The Management Report, the Auditor's report and the Financial Statements of the Company for the year ended 31 December 2023 are true copies of those presented at the Annual General Meeting.

Signature
Georgios Syrianos
Director

Signature
Brena Services Limited
Secretary

BRENA SERVICES LIMITED



Crowe Cyprus Limited
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Photiades Business Center
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ELLAKTOR VENTURES LIMITED
REPORT AND FINANCIAL STATEMENTS
31 December 2023

ELLAKTOR VENTURES LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2023

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ELLAKTOR VENTURES LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Apostolos Tzavellos
Georgios Syrianos

Company Secretary:

Brena Services Limited
8 Zinonos Kitieos, Kato Lakatamia
2322 Nicosia
Cyprus

Independent Auditors:

Crowe Cyprus Limited
Certified Public Accountants and Registered Auditors
Photiades Business Centre
1st floor, 8 Stassinou Avenue
P.O. Box 22545
1522 Nicosia

Registered office:

3 Theokritou, Maroulla Court, Flat 1, Agios Antonios
1060 Nicosia
Cyprus

ELLAKTOR VENTURES LIMITED

MANAGEMENT REPORT

The Board of Directors presents its report and audited separate financial statements of the Company for the year ended 31 December 2023.

Principal activities and nature of operations of the Company

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

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

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

Principal risks and uncertainties

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

Results

The Company's results for the year are set out on page 6. The net loss for the year is carried forward.

Share capital

There were no changes in the share capital of the Company during the year under review.

Board of Directors

The members of the Company's Board of Directors as at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2023.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

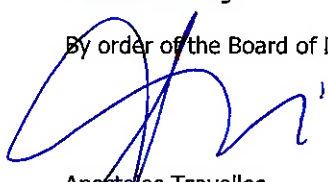
Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 18 of the separate financial statements.

Independent Auditors

The Independent Auditors, Crowe Cyprus Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Apostolos Tzavellos
Director

Nicosia, 12 December 2024

Independent Auditor's Report

To the Members of Ellaktor Ventures Limited

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of parent company Ellaktor Ventures Limited (the "Company"), which are presented in pages 7 to 22 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 of the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate 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 relating to separate financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the 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 opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 4 of the separate financial statements which indicates that the Company incurred a loss of €12.389 during the year ended 31 December 2023, and, as of that date the Company's liabilities exceeded its assets by €565.218. As stated in note 4, these events or conditions, 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the separate financial statements and our auditor's report thereon.

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

Independent Auditor's Report (continued)

To the Members of Ellaktor Ventures Limited

Other information (continued)

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

Responsibilities of the Board of Directors for the 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 IFRSs 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.

Independent Auditor's Report (continued)

To the Members of Ellaktor Ventures Limited

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

- 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.

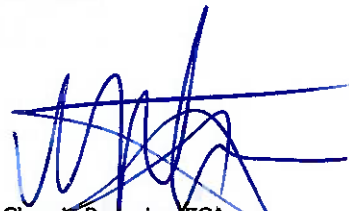
Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the separate financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.

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.



Chrysis Pegasiou FCA
Certified Public Accountant and Registered Auditor
for and on behalf of
Crowe Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 12 December 2024

ELLAKTOR VENTURES LIMITED

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

	Note	2023 €	2022 €
Administration expenses		<u>(7.308)</u>	(6.065)
Operating loss		(7.308)	(6.065)
Net finance costs	9	<u>(5.081)</u>	(4.772)
Loss before tax		(12.389)	(10.837)
Tax	10	<u>-</u>	(27)
Net loss for the year		(12.389)	(10.864)
Other comprehensive income		<u>-</u>	-
Total comprehensive expense for the year		<u>(12.389)</u>	(10.864)

The notes on pages 10 to 21 form an integral part of these separate financial statements.


ELLAKTOR VENTURES LIMITED

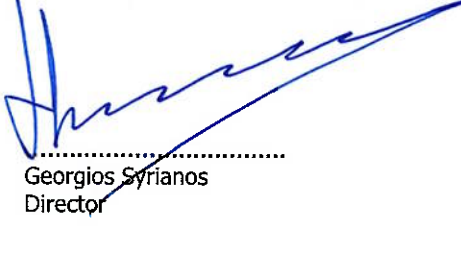
STATEMENT OF FINANCIAL POSITION

31 December 2023

	Note	2023 €	2022 €
ASSETS			
Non-current assets			
Investment in subsidiary	11	<u>1</u>	<u>1</u>
		<u>1</u>	<u>1</u>
Current assets			
Cash at bank	13	<u>1.324</u>	8.076
		<u>1.324</u>	8.076
Total assets		<u>1.325</u>	<u>8.077</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	14	<u>1.000</u>	1.000
Accumulated losses		<u>(566.218)</u>	(553.829)
Total equity		<u>(565.218)</u>	<u>(552.829)</u>
Non-current liabilities			
Borrowings	15	<u>149.518</u>	145.208
		<u>149.518</u>	145.208
Current liabilities			
Trade and other payables	16	<u>417.025</u>	415.698
		<u>417.025</u>	415.698
Total liabilities		<u>566.543</u>	<u>560.906</u>
Total equity and liabilities		<u>1.325</u>	<u>8.077</u>

On 12 December 2024 the Board of Directors of Ellaktor Ventures Limited authorised these separate financial statements for issue.


.....
Apostolos Tzavellos
Director


.....
Georgios Syrianos
Director

The notes on pages 10 to 20 form an integral part of these separate financial statements.

ELLAKTOR VENTURES LIMITED

STATEMENT OF CHANGES IN EQUITY

31 December 2023

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2022	1.000	(542.965)	(541.965)
Total comprehensive expense for the year	-	(10.864)	(10.864)
Balance at 31 December 2022/ 1 January 2023	1.000	(553.829)	(552.829)
Total comprehensive expense for the year	-	(12.389)	(12.389)
Balance at 31 December 2023	1.000	(566.218)	(565.218)

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 10 to 21 form an integral part of these separate financial statements.

ELLAKTOR VENTURES LIMITED

CASH FLOW STATEMENT

31 December 2023

	Note	2023 €	2022 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(12.389)	(10.837)
Adjustments for:			
Interest income	9	-	(89)
Interest expense	9	4.311	4.311
		<u>(8.078)</u>	<u>(6.615)</u>
Changes in working capital:			
Increase/(decrease) in trade and other payables		<u>1.326</u>	<u>(1.275)</u>
Cash used in operations		<u>(6.752)</u>	<u>(7.890)</u>
Tax refunded		-	1.723
Net cash used in operating activities		<u>(6.752)</u>	<u>(6.167)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		-	89
Net cash generated from investing activities		-	89
CASH FLOWS FROM FINANCING ACTIVITIES			
Net decrease in cash and cash equivalents		<u>(6.752)</u>	<u>(6.078)</u>
Cash and cash equivalents at beginning of the year		<u>8.076</u>	14.154
Cash and cash equivalents at end of the year	13	<u>1.324</u>	<u>8.076</u>

The notes on pages 10 to 21 form an integral part of these separate financial statements.

ELLAKTOR VENTURES LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

1. Incorporation and principal activities

Country of incorporation

The Company Ellaktor Ventures Limited (the "Company") was incorporated in Cyprus on 27 October 2011 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 3 Theokritou, Maroulla Court, Flat 1, Agios Antonios, 1060 Nicosia, Cyprus.

Principal activities

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

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.

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

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 subsidiary in the Russian Federation:

Operating in Russia, Belarus and Ukraine involves some risk of political instability, which may include changes in government, negative policy shifts and civil unrest. Financial and economic sanctions imposed by the global community on certain sectors of the Russian economy as well as businesses and individuals in Russia in the first quarter of 2022, and the counter-measures imposed by Russia on the United States of America, United Kingdom and European Union, may potentially pose a risk to the Company's operations. These factors may have a negative impact on the Company's supply arrangements, capital flows and ability of the Company to secure external financing.

ELLAKTOR VENTURES LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

1. Incorporation and principal activities (continued)

The Company actively monitors political developments on an ongoing basis. However, the macroeconomic situation in Ukraine, Russia and Belarus is out of Management's control. The scope and impact of any new potential sanctions (and any counter-sanctions) is yet unknown, however they might further affect key Russian financial institutions as well as companies operating in the Russian Federation and Belarus.

Management has considered the unique circumstances that could have a material impact on the business operations and the risk exposures of the Company and has concluded that the main impacts on the Company's profitability/liquidity position may arise from:

- disruption in banking systems and capital markets
- seizure of assets by government authorities
- increased costs and expenditures
- impairments of financial and non-financial assets
- delays in planned business expansion
- increase in expected credit losses from trade receivables, debt investments and intercompany loans

Management is in the process of reassessing their trading and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs, taking into consideration the main impacts identified above.

Management will continue to monitor the situation closely and assess/seek additional measures/committed facilities as a fall-back plan in case the crisis becomes prolonged.

2. Basis of preparation

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

These financial statements are the separate financial statements. The Company did not prepare consolidated financial statements on the basis of the exemption in paragraph 4(a) of IFRS10 'Consolidated Financial Statements'. Its ultimate parent company Ellaktor SA, an entity incorporated in Greece, produces consolidated financial statements for public use that have been prepared in accordance with International Financial Reporting Standards. These consolidated financial statements can be obtained in <http://www.aktor.gr>.

The separate financial statements have been prepared under the historical cost convention.

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRSs) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2023. This adoption did not have a material effect on the accounting policies of the Company.

4. 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.

Going concern basis

The Company incurred a loss of €12.389 for the year ended 31 December 2023, and, as of that date the Company's liabilities exceeded its assets by €565.218. These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

ELLAKTOR VENTURES LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

4. 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.

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.

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.

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.

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 - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

ELLAKTOR VENTURES LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

4. Material accounting policy information (continued)

Financial assets - Recognition and derecognition (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

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 with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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.

ELLAKTOR VENTURES LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

4. Material accounting policy information (continued)

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

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.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

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

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.

ELLAKTOR VENTURES LIMITED

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

31 December 2023

4. Material accounting policy information (continued)

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.

Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

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.

Share capital

Ordinary shares are classified as equity.

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5. 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.

6. Financial risk management

Financial risk factors

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

6.1 Interest rate risk

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

6.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises cash and cash equivalents. The Company does not have a policy for the management of the credit risk.

6.3 Liquidity risk

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

7. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs 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.

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.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Going concern basis**

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

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7. Critical accounting estimates and judgments (continued)

- **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.

- **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.

8. Expenses by nature

	2023	2022
	€	€
Annual levy	490	490
Accounting fees	1.190	1.190
Administration expenses	3.689	3.689
Other professional fees	1.939	596
Fines	-	100
Total expenses	<u>7.308</u>	<u>6.065</u>

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9. Finance income/(costs)

	2023	2022
	€	€
Interest income	-	89
Finance income	-	89
Interest expense	(4.311)	(4.311)
Sundry finance expenses	(770)	(550)
Finance costs	(5.081)	(4.861)
Net finance costs	(5.081)	(4.772)

10. Tax

	2023	2022
	€	€
Defence contribution	-	27
Charge for the year	-	27

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

	2023	2022
	€	€
Loss before tax	(12.389)	(10.837)
Tax calculated at the applicable tax rates	(1.549)	(1.355)
Tax effect of expenses not deductible for tax purposes	1.549	-
Tax effect of allowances and income not subject to tax	-	1.355
Defence contribution current year	-	27
Tax charge	-	27

The corporation tax rate is 12,5%.

11. Investment in subsidiary

	2023	2022
	€	€
Balance at 1 January	1	1
Balance at 31 December	1	1

The details of the subsidiary are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2023	2022
			Holding	Holding
			%	%
Levashovo Waste Management Project Limited Liability Company	Russia	Construction and operation of waste plant in Saint Petersburg	100	100

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12. Loan receivable

	2023	2022
	€	€
Loan to subsidiary (Note 17.2)	226.689	226.689
Loss allowance on loan receivable	<u>(226.689)</u>	<u>(226.689)</u>
	<u>-</u>	<u>-</u>

The fair values of non-current receivables approximate to their carrying amounts as presented above.

13. Cash at bank

For the purposes of the cash flow statement, the cash and cash equivalents include the following:

	2023	2022
	€	€
Cash at bank	<u>1.324</u>	<u>8.076</u>
	<u>1.324</u>	<u>8.076</u>

14. Share capital

	2023	2023	2022	2022
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	<u>5.000</u>	<u>5.000</u>	5.000	5.000
Issued and fully paid				
Balance at 1 January	<u>1.000</u>	<u>1.000</u>	1.000	1.000
Balance at 31 December	<u>1.000</u>	<u>1.000</u>	1.000	1.000

15. Borrowings

	2023	2022
	€	€
Non-current borrowings		
Loan from shareholder (Note 17.4)	<u>149.518</u>	<u>145.208</u>
	<u>149.518</u>	<u>145.208</u>

Loan from shareholder amounting to €149.518 (2022: €145.208) bears interest at the rate of 3,5% per annum and is repayable on 7 November 2025.

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16. Trade and other payables

	2023	2022
	€	€
Shareholders' current accounts - credit balances (Note 17.4)	411.998	411.998
Accruals	2.445	3.283
Other creditors	2.582	417
	<u>417.025</u>	<u>415.698</u>

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

17. Related party transactions

The following transactions were carried out with related parties:

17.1 Loan interest expense

	2023	2022
	€	€
Loan from shareholder	4.311	4.311
	<u>4.311</u>	<u>4.311</u>

17.2 Loan to subsidiary (Note 12)

	2023	2022
	€	€
Levashovo Waste Management Project Limited Liability Company	226.689	226.689
Less: Loss allowance on loan to subsidiary	(226.689)	(226.689)
	<u>-</u>	<u>-</u>

The loan to subsidiary bears interest at the rate of 8% per annum and is repayable on demand. Interest for the year 2023 has been suspended.

17.3 Loan from shareholder (Note 15)

	2023	2022
	€	€
As at 31 December	149.518	145.208
	<u>149.518</u>	<u>145.208</u>

The loans from shareholder amounting to €149.518 (2022: €145.208) bears interest at the rate of 3,5% per annum and is repayable on demand.

17.4 Shareholders' current accounts - credit balances (Note 16)

	2023	2022
	€	€
As at 31 December	411.998	411.998
	<u>411.998</u>	<u>411.998</u>

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

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18. Events after the reporting period

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

Independent auditor's report on pages 3 to 5