

METTMANN PUBLIC COMPANY LIMITED
UNAUDITED FINANCIAL STATEMENTS
Period from 1 January 2023 to 30 June 2023

METTMANN PUBLIC COMPANY LIMITED

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METTMANN PUBLIC COMPANY LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Aleksandr Mizgunov Oxana Hadjipavlou
Company Secretary:	Fidusol Ltd
Independent Auditors:	BDO Limited Certified Public Accountants (CY) and Registered Auditors 261, 28th October Street (Seafront Road) View Point Tower Floors 6, 7 and 8 P.O. Box 51681 3507 Limassol, Cyprus
Registered office:	67, Spyrou Araouzou, ULYSSES HOUSE Floor 2, office 202 3036, Limassol, Cyprus

METTMANN PUBLIC COMPANY LIMITED

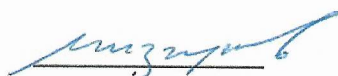
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Period from 1 January 2023 to 30 June 2023

		The period ended 30/06/2023	The year ended 31/12/2022
	Note	EUR €	EUR €
Interest income		791,254	381,338
Interest expense		(549,743)	(55,781)
Net interest income		241,511	325,557
Dividend income	1	208,604	-
Other operating income	2	-	494,057
Administration expenses	3	(312,147)	(711,081)
Operating profit		137,968	108,533
Finance costs	5	(7,101)	(11,915)
Net profit for the period/year		130,867	96,618
Other comprehensive income		-	-
Total comprehensive income for the period/year		130,867	96,618

METTMANN PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION as at 30 June 2023

	Note	30/06/2023 EUR €	31/12/2022 EUR €
Non-current assets			
Right-of-use assets	7	109,982	26,307
Investments in subsidiaries	8	46,000	46,000
Investment in associates	9	4,250	4,250
Loans receivable	10	17,423,449	6,015,231
		<u>17,583,681</u>	<u>6,091,788</u>
Current assets			
Other receivables	11	6,086	14,298
Loans receivable	10	16,220,737	15,792,659
Cash and cash equivalents	12	662,025	6,427,883
		<u>16,888,848</u>	<u>22,234,840</u>
Total Assets		<u>34,472,529</u>	<u>28,326,628</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	100,000	100,000
Accumulated losses		(217,260)	(348,127)
Total equity		<u>(117,260)</u>	<u>(248,127)</u>
Non-current liabilities			
Borrowings	14	26,345,934	1,466,164
Lease liabilities	15	43,674	-
		<u>26,389,608</u>	<u>1,466,164</u>
Current Liabilities			
Other payables	16	100,452	21,070,410
Borrowings	14	8,042,822	6,015,781
Lease liabilities	15	56,907	22,400
		<u>8,200,181</u>	<u>27,108,591</u>
Total liabilities		<u>34,589,789</u>	<u>28,574,755</u>
Total equity and liabilities		<u>34,472,529</u>	<u>28,326,628</u>



Aleksandr Mizgunov

Director

28 September 2023



Oxana Hadjipavlou

Director

28 September 2023

METTMANN PUBLIC COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

The Period ended 30 June 2023

	Share capital €	Accumulated losses €	Total €
Balance at 1 January 2023	100,000	(348,127)	(248,127)
Total comprehensive income for the period		130,867	130,867
Balance at 30 June 2023	<u>100,000</u>	<u>(217,260)</u>	<u>(117,260)</u>

METTMANN PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

The Period ended 30 June 2023

	Note	30/06/2023	31/12/2022
CASH FLOW FROM OPERATING ACTIVITIES		€	€
Profit before tax		130,867	96,618
Adjustments for:			
Depreciation of right-of-use assets	7	31,089	52,614
Interest income		(791,254)	(381,338)
Lease interest expense	5	433	1,392
Loan interest expense		549,743	55,781
Gain on repayment of loans	2	-	(494,057)
Dividend income	1	(208,604)	
		<u>(287,726)</u>	<u>(668,990)</u>
Changes in working capital:			
Decrease in other receivables		8,212	98,503
(Decrease)/increase in other payables		(67,797)	73,528
Cash used in operations		<u>(348,311)</u>	<u>(496,959)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received	1	208,604	-
Payment for purchase of investment in subsidiaries	8	-	(6,000)
Loans granted		(11,407,000)	(6,014,826)
Loans repayments received		185,746	4,343,501
Interest received		123,119	614,267
Net cash used in investing activities		<u>(10,889,531)</u>	<u>(1,063,058)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability		(28,016)	(54,000)
Proceeds from borrowings	14	5,500,000	6,000,000
Net cash generated from financing activities		<u>5,471,984</u>	<u>5,946,000</u>
Net (decrease)/increase in cash and cash equivalents		(5,765,858)	4,385,983
Cash and cash equivalents at beginning of the year	12	<u>6,427,883</u>	<u>2,041,900</u>
Cash and cash equivalents at end of the period/year	12	<u>662,025</u>	<u>6,427,883</u>

METTMANN PUBLIC COMPANY LIMITED

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

The Period ended 30 June 2023

Incorporation and principal activities

Country of incorporation

The company Mettmann Public Company Limited (the "Company") was incorporated in Cyprus on 20 December 2019 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Its registered office is at 67, Spyrou Araouzou, Ulysses House, Floor 2, Office 202, 3036 Limassol, Cyprus.

Change of name

On 20 January 2022, the Company changes its operating name from Mettmann Limited to Mettmann Public Company Limited.

Principal activities

The principal activities of the Company are that of investment holdings and interest earning activities.

The company was converted from a Private Limited Company to a Public Company Limited and was admitted to non-regulated market of the Cyprus Stock Exchange Emerging Companies Market on 30 December 2022.

Basis of preparation

The company has prepared these parent's separate unaudited financial statements for compliance with the requirements of the Cyprus Income Tax Law and the Cyprus Stock Exchange.

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

Users of these parent's separate financial statements should read them together with the Group's consolidated unaudited financial statements as at and for the period ended 30 June 2023 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

These separate unaudited financial statements have been prepared by the management on a going concern basis taking into account the current net assets position of the Company as at 30 June 2023 where the Company's current assets have exceeded the current liabilities by €8,688,667. Therefore, the Company has the sufficient liquidity to continue to meet its current obligations in the foreseeable future if they fall due.

As at 30 June 2023 and as at the date of signing of these unaudited consolidated financial statements, the company had sufficient undrawn loan facilities with the major shareholder and third parties in order to cover its short-term and long-term obligations if they fall due.

Significant accounting policies

The principal accounting policies adopted in the preparation of these unaudited separate financial statements have been consistently applied to all years presented in these financial statements.

1. Dividend income

	30/06/2023	2022
	€	€
Dividend income	208,604	-
	208,604	-

Dividend income amounting to €208.604 was received from wholly owned subsidiary Sword Dragon, S.L. on the 8 June 2023.

2. Other operating income

	30/06/2023	2022
	€	€
Gain on assignment of loans receivable	-	494,057
	-	494,057

Upon repayment of the credit-impaired loans at initial recognition, the difference between discounted value of the loans (principal plus interest), and repaid amount is recognised as gain on assignment of loans receivable.

3. Administration expenses

	30/06/2023	2022
	€	€
Staff costs	219,421	410,681
Common expenses	416	424
Annual levy	350	350
Electricity	2,866	6,595
Water supply and cleaning	162	722
Insurance	317	358
Repairs and maintenance	2,555	952
Sundry expenses	8,832	20,782
Courier expenses	1,264	2,248
Stationery and printing	295	-
Staff training	3,751	1,041
Computer supplies and maintenance	4,408	3,068
Computer software	2,616	5,470
Independent auditors' remuneration - current year	-	51,130
Independent auditors' remuneration - prior year	2,105	4,820
Legal and professional	4,930	59,048
Other professional fees	3,949	40,232
Translation fees	-	501
Travelling	6,661	9,393
Entertaining	992	2,367
Certification expenses	577	1,097
Consulting expenses	14,591	37,188
Depreciation of right-of-use assets	31,089	52,614
	312,147	711,081

4. Staff costs

	30/06/2023	2022
	€	€
Salaries	191,399	359,259
Social security costs	22,471	41,003
GHS Contribution	5,551	10,419
	219,421	410,681
Average number of employees (including Directors in their executive capacity)	10	9

5. Finance costs

	30/06/2023	2022
	€	€
Finance costs		
Bank charges	5,740	9,058
Interest expense on lease liability	433	1,392
Unrealised foreign exchange loss	928	1,465
	7,101	11,915

6. Tax

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

	30/06/2023	2022
	€	€
Profit/(loss) before tax	<u>130,867</u>	<u>96,618</u>
Tax calculated at the applicable tax rates	16,358	12,077
Tax effect of expenses not deductible for tax purposes	-	-
Tax effect of allowances and income not subject to tax	(16,358)	(12,077)
Tax effect of tax loss for the year	-	-
Tax charge	-	-

The corporation tax rate is 12.5%

7. Right-of-use assets

	30/06/2023	31/12/2022
	Land and buildings	Land and buildings
	€	€
Opening net book amount 1 January 2023/1 January 2022	26,307	78,921
Additions	114,764	
Depreciation		
Charge for the period/year	31,089	52,614
Net book amount at 30 June 2023/31 December 2022	<u>109,982</u>	<u>26,307</u>

8. Investments in subsidiaries

	30/06/2023	2022
	€	€
Balance at 1 January	46,000	-
Additions	-	46,000
Balance at 30 June 2023/31 December 2022	<u>46,000</u>	<u>46,000</u>

The details of the subsidiaries are as follows:

<u>Name:</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>	2023	2022
				€	€
Ortiga, D.O.O.	Montenegro	Holding of land	100	6,000	6,000
Sword Dragon, S.L.	Spain	Holding of investments	100	40,000	40,000
				<u>46,000</u>	<u>46,000</u>

On 7 June 2022, the Company acquired the 100% of the share capital of Ortiga D.O.O. for a consideration of €6,000.

On 2 September 2022, the Company acquired the 100% of the share capital of Sword Dragon, S.L. for a consideration of €40,000.

9. Investments in associates

	30/06/2023	2022
	€	€
Balance at 1 January	4,250	-
Additions	-	4,250
Balance at 30 June 2023/31 December 2022	4,250	4,250

The details of the investments are as follows:

<u>Name:</u>	<u>Country of incorporation:</u>	<u>Principal activities:</u>	<u>Holding %:</u>	<u>2023</u> €	<u>2022</u> €
Nash Beach Club, S.L.	Spain	Purchase, sale, lease and construction of real estate	50	1,500	1,500
Start Hub Beach, S.L.	Spain	Purchase, sale, lease and construction of real estate	50	1,500	1,500
4D Properties, S.L.	Spain	Holding of investments	41.67	1,250	1,250
				4,250	4,250

There are no contingent liabilities relating to the Company's interest in the associates.

10. Loans receivable

	30/06/2023	2022
	€	€
Loans receivable from third parties	664,784	645,857
Loans to related parties (Note 17.4)	31,214,734	19,473,771
Loans to own subsidiaries (Note 17.5)	107,429	78,777
Loans to associates (Note 17.9)	1,657,239	1,609,485
	33,644,186	21,807,890
Less current portion	(16,220,737)	(15,792,659)
Non-current portion	17,423,449	6,015,231

The loans are repayable as follows:

	30/06/2023	2022
	€	€
Within one year	16,220,737	15,792,659
Between one and five years	17,423,449	6,015,231
	33,644,186	21,807,890

11. Other receivables

	30/06/2023	2022
	€	€
Deposits and prepayments	6,086	14,298
	<u>6,086</u>	<u>14,298</u>

12. Cash and cash equivalents

Cash balances are analysed as follows:	30/06/2023	2022
	€	€
Cash in hand	650	32
Cash in bank	661,375	6,427,851
	<u>662,025</u>	<u>6,427,883</u>

On 30 June 2023 the amount of €3,450,000 was granted to its related company as an interest-bearing loan. The borrower received the funds on 3 July 2023 and, therefore, the amount €3,450,000 is considered as cash in transit as at reporting date 30 June 2023.

13. Share capital

	30/06/2023	30/06/2023	31/12/2022	31/12/2022
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	45,000,000	45,000,000	45,000,000	45,000,000
Issued and fully paid				
Balance at 1 January	100,000	100,000	100,000	100,000
Balance at 30 June 2023/31 December 2022	100,000	100,000	100,000	100,000

14. Borrowings

	30/06/2023	2022
	€	€
Current borrowings		
Other loans	7,620,822	6,015,781
Loans from shareholder (Note 17.7)	422,000	
	<u>8,042,822</u>	<u>6,015,781</u>
Non-current		
Other loans	4,013,151	
Loans from shareholder (Note 17.7)	22,332,783	1,466,164
	<u>26,345,934</u>	<u>1,466,164</u>
Total	<u>34,388,756</u>	<u>7,481,945</u>

During 6 months 2023 Mettmann Public Company Limited withdrew a loan amount of €5,500,000 from third parties (Current: €1,500,000, Non-current: €4,000,000).

15. Lease liabilities

	30/06/2023	2022
	€	€
Balance at 1 January	22,400	75,007
Additions	114,764	-
Interest expense (Note 5)	433	1,393
Lease payments	(37,016)	(54,000)
Balance at 30 June 2023/31 December 2022	100,581	22,400

	Minimum lease payments		The present value of minimum lease payments	
	30/06/2023	31/12/2022	30/06/2023	31/12/2022
	€	€	€	€
Not later than 1 year	56,907	22,400	56,907	22,400
Later than 1 year and not later than 5 years	43,674		43,674	
	100,581	22,400	100,581	22,400
Present value of lease liabilities	100,581	22,400	100,581	22,400

In May 2023 the Company prolonged its lease contract as a lessee (tenant) with a third party company for the lease of an office space.

Lease terms:

- a) Tenancy period: 24 months
- b) Monthly rental fee: €4,950
- c) Incremental borrowing rate: 4%

All lease obligations are denominated in Euro.

Interest expense on the lease liability of €433 is presented as part of the finance costs (Note 5).

16. Other payables

	30/06/2023	2022
	€	€
Social insurance and other taxes	10,675	18,835
Shareholder's current account - credit balance (Note 17.8)	3,830	20,913,062
Payable to employees	27,127	16,541
Accruals	14,699	77,222
Other creditors	42,621	43,250
Payables to associates (Note 17.6)	1,500	1,500
	100,452	21,070,410

Outstanding as at 30 June 2023 Social Insurance and other taxes were settled in July 2023.

17. Related party transactions

For the purpose of these management accounts, parties are considered to be related if one party has the ability to control the other or exercise significant influence over the other party in making financial or operational decisions as defined by IAS24 "Related Party Disclosures".

In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The Company's ultimate controlling party is Mr. Zvonko Mickovic, who owns 82.5% of the Company.

The following transactions were carried out with related parties:

17.1 Directors' remuneration

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

	30/06/2023	2022
	€	€
Directors' remuneration	59,000	118,000
	59,000	118,000

17.2 Loan interest income

	30/06/2023	2022
<u>Name</u>	€	€
Joya Verde, S.L.	81,781	39,730
Prestige Expo, S.L.	497,463	252,144
La Meridiana de Rio Verde, S.L.	130,750	68,921
Start Hub Beach, S.L.	47,754	4,485
Ortiga, D.O.O.	1,653	777
	759,401	366,057

17.3 Loan interest expense

	30/06/2023	2022
<u>Name</u>	€	€
Major shareholder	431,551	40,000
	431,551	40,000

17.4 Loans to related parties (Note 10)

<u>Name</u>	<u>Interest rate</u>	<u>Maturity date</u>	30/06/2023	2022
			€	€
La Meridiana de Rio Verde, S.L.	6%	31/03/2025	4,227,631	4,405,746
Prestige Expo, S.L.	6%	on demand	2,891,019	2,861,362
Prestige Expo, S.L.	6%	on demand	1,580,424	1,535,420
Prestige Expo, S.L.	5.67%	on demand	3,426,216	3,333,769
Prestige Expo, S.L.	6%	on demand	186,378	181,071
Prestige Expo, S.L.	6%	on demand	1,237,200	1,201,964
Prestige Expo, S.L.	6%	on demand	941,707	914,892
Prestige Expo, S.L.	5.75%	on demand	2,565,453	2,494,526
Prestige Expo, S.L.	6%	13/04/2026	5,888,978	-
Joya Verde, S.L.	6%	on demand	549,350	533,707
Joya Verde, S.L.	6%	on demand	377,005	366,269
Joya Verde, S.L.	6%	on demand	161,573	156,973
Joya Verde, S.L.	6%	on demand	1,532,201	1,488,073
Joya Verde, S.L.	6%	30/11/2026	1,406,674	-
Alsan Homes, S.L.	6%	28/02/2025	437,634	-
Alsan Homes, S.L.	6%	31/05/2025	3,805,291	-
			31,214,734	19,473,772

17.5 Loans to own subsidiaries

<u>Name</u>	<u>Interest rate</u>	<u>Maturity date</u>	30/06/2023	2022
			€	€
Ortiga, D.O.O.	3.65%	31/12/2023	102,237	73,670
Ortiga, D.O.O.	3.50%	on demand	5,192	5,107
			107,429	78,777

17.6 Payables to related parties (Note 16)

<u>Name</u>	<u>Nature of transactions</u>	30/06/2023	2022
		€	€
Nash Beach Club, S.L.	Contribution for the allotted shares	1,500	1,500
		1,500	1,500

17.7 Loans from shareholder (Note 14)

<u>Name</u>	<u>Interest rate</u>	<u>Maturity date</u>	30/06/2023	2022
			€	€
Major shareholder	0.00%	21/01/2024	171,000	171,000
Major shareholder	0.00%	15/04/2024	251,000	251,000
Major shareholder	4.00%	30/11/2026	1,064,000	1,044,164
Major shareholder	4.00%	31/12/2027	18,447,353	-
Major shareholder	4.00%	31/12/2027	2,821,430	-
			22,754,783	1,466,164

17.8 Shareholder's current account - credit balance (Note 16)

	30/06/2023	2022
	€	€
Major shareholder	3,830	20,913,062
	3,830	20,913,062

The shareholders's current account is interest free, and has no specified repayment date.

17.9 Loan to associates (Note 10)

<u>Name</u>	<u>Interest rate</u>	<u>Maturity date</u>	30/06/2023	2022
			€	€
Start Hub Beach, S.L.	6%	31/12/2027	1,657,239	1,609,485
			1,657,239	1,609,485

18. Contingent liabilities

The agreed remuneration for the provided assistance is 75% of the future Dividends to be declared and paid by the newly acquired subsidiary within 3 years, i.e., until 2 August 2025 (inclusive).

No profit remuneration was paid under the profit-share agreement as at the sign-off date of these unaudited consolidated financial statements.

Cyprus tax legislation is subject to varying interpretations. Management's interpretation of such legislation as applied to the transactions and activity of the company may be challenged by the income tax authorities and it is possible that the transactions and activities that have not been challenged in the past, may be challenged. As a result, significant additional taxes, penalties and interest may be assessed.

Fiscal periods remain open for review by the taxation authorities in respect of taxes for the six calendar years preceding the year of review. Under certain periods, reviews may cover longer periods.

The Company had no other contingent liabilities as at 30 June 2023.

19. Commitments

The company had no capital or other commitments as at 31 December 2022 and 30 June 2023.

20. Events after the reporting period

On 18 August 2023 Mettmann Public Company Limited obtained another interest-bearing loan instalment from a third party existing loan agreement in the amount €4,350,000.

On 12 September 2023 Mettmann Public Company Limited granted an interest-bearing loan to its associate amounted to €4,375,000, annual interest income of 6% and repayable on or before 31 July 2028 (inclusive).

During the period after 30 June 2023 and up to the sign-off date of these unaudited standalone financial statements, the Group received partial repayment of its credit-impaired loans amounted to €5,841,206, realizing a gain on repayment of €318,360.