

BCDF I LIMITED
Reg. Number: 232105

FINANCIAL STATEMENTS
For the year ended 31 December 2023

BCDF I LIMITED

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For the year ended 31 December 2023

BCDF I LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2023

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BCDF I LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

| | |
|------------------------------|---|
| Board of Directors: | Maria Skourou |
| Company Secretary: | Valia Secretarial Limited |
| Independent Auditors: | MGI Gregoriou & Co Ltd Certified Public Accountants (CY) Florinis, 7 GREG TOWER, 6th floor P.C. 1065, Nicosia Cyprus |
| Registered office: | Dimostheni Severi, 12 6th floor, Flat 601 P.C. 1080, Nicosia Cyprus |
| Bankers: | Societe Generale Bank |
| Registration number: | HE232105 |

Independent Auditor's Report

To the Members of BCDF I Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company BCDF I Limited (the "Company"), which are presented in pages 5 to 19 and comprise the statement of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company BCDF I Limited 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.

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 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 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.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the additional information to the statement of profit or loss and other comprehensive income in pages 20 to 23, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report (continued)

To the Members of BCDF I Limited

Responsibilities of the Board of Directors for the Financial Statements (continued)

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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

Independent Auditor's Report (continued)

To the Members of BCDF I Limited

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.



Loria Gregoriou

Certified Public Accountant and Registered Auditor
for and on behalf of

MGI Gregoriou & Co Ltd
Certified Public Accountants (CY)

Nicosia, 28/3/ 2024

BCDF I LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

| | Note | 2023 € | 2022 € |
|--|------|-----------------|-------------------|
| Administration expenses | 8 | (8,727) | (6,736) |
| Net impairment (loss) on financial and contract assets | | - | 18,604,613 |
| Operating (loss)/profit | | (8,727) | 18,597,877 |
| Finance costs | 9 | (14,688) | (9,165) |
| Net (loss)/profit for the year | | (23,415) | 18,588,712 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | (23,415) | 18,588,712 |

The notes on pages 9 to 19 form an integral part of these financial statements.

BCDF I LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2023

| | Note | 2023 € | 2022 € |
|-------------------------------------|------|---------------------|--------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investments in subsidiaries | 10 | <u>18,604,614</u> | 18,604,614 |
| | | <u>18,604,614</u> | 18,604,614 |
| Current assets | | | |
| Receivables | 11 | 350 | - |
| Cash at bank and in hand | 12 | - | 2,907 |
| | | <u>350</u> | 2,907 |
| Total assets | | <u>18,604,964</u> | 18,607,521 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | 13 | 3,600 | 3,600 |
| Share premium | | 848,200 | 848,200 |
| Accumulated losses | | <u>(17,339,007)</u> | (17,315,592) |
| | | <u>(16,487,207)</u> | (16,463,792) |
| Advances from shareholders | 14 | <u>34,883,598</u> | 34,883,598 |
| Total equity | | <u>18,396,391</u> | 18,419,806 |
| Non-current liabilities | | | |
| Borrowings | 15 | - | 181,902 |
| | | - | 181,902 |
| Current liabilities | | | |
| Trade and other payables | 16 | 2,678 | 5,813 |
| Borrowings | 15 | <u>205,895</u> | - |
| | | <u>208,573</u> | 5,813 |
| Total liabilities | | <u>208,573</u> | 187,715 |
| Total equity and liabilities | | <u>18,604,964</u> | 18,607,521 |

On 28/3/ 2024 the Board of Directors of BCDF I Limited authorised these financial statements for issue.


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Maria Skourou
Director

The notes on pages 9 to 19 form an integral part of these financial statements.

BCDF I LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

| | Share capital € | Share premium € | Advances from shareholders € | Accumulated losses € | Total € |
|------------------------------------|-----------------------|-----------------------|---------------------------------------|----------------------------|-------------------|
| Balance at 1 January 2022 | 3,600 | 848,200 | 34,883,598 | (35,904,304) | (168,906) |
| Net profit for the year | - | - | - | 18,588,712 | 18,588,712 |
| Balance at 31 December 2022 | 3,600 | 848,200 | 34,883,598 | (17,315,592) | 18,419,806 |
| Net loss for the year | - | - | - | (23,415) | (23,415) |
| Balance at 31 December 2023 | 3,600 | 848,200 | 34,883,598 | (17,339,007) | 18,396,391 |

Share premium is not available for distribution.

The advance from shareholders is made available to the Board of Directors for future increases of the share capital of the Company and are not refundable.

The notes on pages 9 to 19 form an integral part of these financial statements.

BCDF I LIMITED

CASH FLOW STATEMENT

For the year ended 31 December 2023

| | Note | 2023 € | 2022 € |
|---|-----------|-----------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| (Loss)/profit before tax | | (23,415) | 18,588,712 |
| Adjustments for: | | | |
| Reversal of impairment - investments in subsidiaries | 10 | - | (18,604,613) |
| Interest expense | 9 | 12,408 | 6,975 |
| | | (11,007) | (8,926) |
| Changes in working capital: | | | |
| (Increase)/decrease in receivables | | (350) | 350 |
| (Decrease)/increase in trade and other payables | | (3,135) | 4,028 |
| Cash used in operations | | (14,492) | (4,548) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | - | - |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from borrowings | | 11,685 | 11,975 |
| Interest paid | | (100) | (6,975) |
| Net cash generated from financing activities | | 11,585 | 5,000 |
| Net (decrease)/increase in cash and cash equivalents | | (2,907) | 452 |
| Cash and cash equivalents at beginning of the year | | 2,907 | 2,455 |
| Cash and cash equivalents at end of the year | 12 | - | 2,907 |

The notes on pages 9 to 19 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. Incorporation and principal activities**Country of incorporation**

The Company BCDF I Limited (the "Company") was incorporated in Cyprus on 23 June 2008 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Dimostheni Severi, 12, 6th floor, Flat 601, P.C. 1080, Nicosia, Cyprus.

Principal activity

The principal activity of the Company, which is unchanged from last year, is to act as a holding company.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 ultimate parent company Barlinek S.A. publishes consolidated financial statements in accordance with IFRS as adopted by the EU and the Company does not intend to issue consolidated financial statements for the year ended 31 December 2023.

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 financial statements have been prepared under the historical cost convention.

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.

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 (IFRS) 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. Significant accounting policies

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

4. Significant accounting policies (continued)**Going concern basis**

The Company incurred a loss of €23,415 for the year ended 31 December 2023, and, as of that date the Company's current liabilities exceeded its current assets by €208,223. The Company is dependent upon the continuing financial support of its the ultimate parent company 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 the ultimate parent company has 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.

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 costs

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

Financial assets**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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

4. Significant accounting policies (continued)**Financial assets (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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

4. Significant accounting policies (continued)**Financial assets (continued)****Financial assets - impairment - credit loss allowance for ECL (continued)**

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

4. Significant accounting policies (continued)**Financial assets (continued)****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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

4. Significant accounting policies (continued)**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.

Advances from shareholders

Advances from shareholders constitutes contributions made by the Company's shareholders other than for the issue of shares by the Company in their capacity as equity owners of the Company for which the Company has no contractual obligation to repay them. Such contributions are recognised directly in equity as they constitute transactions with equity owners in their capacity as equity owners of the Company.

5. New accounting pronouncements

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

6. Financial risk management**Financial risk factors**

The Company is exposed to interest rate risk, liquidity risk and capital risk management 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

6. Financial risk management (continued)**6.1 Interest rate risk (continued)**

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

| | 2023 € | 2022 € |
|----------------------------------|-----------------------|----------------|
| Variable rate instruments | | |
| Financial liabilities | <u>205,895</u> | 181,902 |
| | <u>205,895</u> | <u>181,902</u> |

6.2 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.

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.

| 31 December 2023 | Carrying amounts € | Contractual cash flows € | On demand € | Within 1 year € | 1-2 years € | 2-5 years € | More than 5 years € |
|--------------------------|-----------------------|-----------------------------|----------------|-----------------------|----------------|----------------|------------------------|
| Loan from parent company | 205,895 | 224,333 | - | 224,333 | - | - | - |
| | <u>205,895</u> | <u>224,333</u> | <u>-</u> | <u>224,333</u> | <u>-</u> | <u>-</u> | <u>-</u> |

| 31 December 2022 | Carrying amounts € | Contractual cash flows € | On demand € | Within 1 year € | 1-2 years € | 2-5 years € | More than 5 years € |
|--------------------------|-----------------------|-----------------------------|----------------|--------------------|-----------------------|----------------|------------------------|
| Loan from parent company | 181,902 | 204,312 | - | - | 204,312 | - | - |
| | <u>181,902</u> | <u>204,312</u> | <u>-</u> | <u>-</u> | <u>204,312</u> | <u>-</u> | <u>-</u> |

6.3 Capital risk management

Capital includes equity shares and share premium and other reserves.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

7. Critical accounting estimates and judgments (continued)*Judgments*

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 Directors judge that it is appropriate to prepare the financial statements on the going concern basis.

- **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.

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.

8. Administration expenses

| | 2023 | 2022 |
|-------------------------|--------------|--------------|
| | € | € |
| Annual levy | 350 | 350 |
| Auditors' remuneration | 2,023 | 2,023 |
| Accounting fees | 714 | 714 |
| Other professional fees | 5,640 | 3,649 |
| | 8,727 | 6,736 |

9. Finance costs

| | 2023 | 2022 |
|-------------------------|---------------|--------------|
| | € | € |
| Interest expense | 12,408 | 6,975 |
| Sundry finance expenses | 2,280 | 2,190 |
| Finance costs | 14,688 | 9,165 |

BCDF I LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

10. Investments in subsidiaries

| | 2023 € | 2022 € |
|-------------------------------|-------------------|-------------------|
| Balance at 1 January | 18,604,614 | 1 |
| Reversal of impairment | - | 18,604,613 |
| Balance at 31 December | 18,604,614 | 18,604,614 |

The details of the subsidiaries are as follows:

| | Country of incorporation | Principal activities | Holding % | 2023 € | 2022 € |
|---------------------|-----------------------------|------------------------------|--------------|-------------------|-------------------|
| BARLINEK ROMANIA SA | Romania | Wood cutting and planning | 51.113% | 18,604,614 | 18,604,614 |
| | | | | 18,604,614 | 18,604,614 |

14.3% of Barlinek Romania SA is held by the parent company's BCDF Limited.

11. Receivables

| | 2023 € | 2022 € |
|--------------------------|------------|-----------|
| Deposits and prepayments | 350 | - |
| | 350 | - |

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

12. Cash at bank and in hand

Cash balances are analysed as follows:

| | 2023 € | 2022 € |
|--------------|-----------|--------------|
| Cash at bank | - | 2,907 |
| | - | 2,907 |

13. Share capital

| | 2023 Number of shares | 2023 € | 2022 Number of shares | 2022 € |
|-------------------------------|-----------------------------|--------------|-----------------------------|--------------|
| Authorised | | | | |
| Ordinary shares of €1 each | 9,000 | 9,000 | 9,000 | 9,000 |
| Issued and fully paid | | | | |
| Balance at 1 January | 3,600 | 3,600 | 3,600 | 3,600 |
| Balance at 31 December | 3,600 | 3,600 | 3,600 | 3,600 |

BCDF I LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

14. Advances from shareholders

| | 2023 | 2022 |
|-------------------------------|--------------------------|-------------------|
| | € | € |
| Balance at 1 January | <u>34,883,598</u> | 34,883,598 |
| Balance at 31 December | <u>34,883,598</u> | <u>34,883,598</u> |

The advance from shareholders is made available to the Board of Directors for future increases of the share capital of the Company and are not refundable.

15. Borrowings

| | 2023 | 2022 |
|--------------------------------------|-----------------------|----------------|
| | € | € |
| Current borrowings | | |
| Loan from parent company (Note 17.2) | <u>205,895</u> | - |
| | <u>205,895</u> | - |
| Non-current borrowings | | |
| Loan from parent company (Note 17.2) | - | 181,902 |
| | - | <u>181,902</u> |
| Total | <u>205,895</u> | <u>181,902</u> |

Maturity of non-current borrowings:

| | 2023 | 2022 |
|--------------------------|------|----------------|
| | € | € |
| Between one to two years | - | 181,902 |
| | - | <u>181,902</u> |

16. Trade and other payables

| | 2023 | 2022 |
|----------|---------------------|--------------|
| | € | € |
| Accruals | <u>2,678</u> | 5,813 |
| | <u>2,678</u> | <u>5,813</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 Company is controlled by BCDF Ltd, incorporated in Cyprus, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

17.1 Related party transactions

| Name | Nature of transactions | 2023 | 2022 |
|--------------|------------------------|---------------|-------|
| | | € | € |
| BCDF Limited | Interest expense | <u>12,308</u> | 6,975 |

BCDF I LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

17. Related party transactions (continued)

17.2 Loans from related parties (Note 15)

| Name | 2023 | 2022 |
|--------------|----------------|----------------|
| | € | € |
| BCDF Limited | <u>205,895</u> | <u>181,902</u> |
| | <u>205,895</u> | <u>181,902</u> |

The loan from BCDF Limited is charged with 5% interest rate plus 3M Euribor and is due to be repaid on 31 December 2024.

18. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023.

19. Commitments

The Company had no capital or other commitments as at 31 December 2023.

20. Events after the reporting period

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

Independent auditor's report on pages 2 to 4

BCDF I LIMITED

DETAILED INCOME STATEMENT

For the year ended 31 December 2023

| | Page | 2023 € | 2022 € |
|---|------|-----------|------------|
| Other operating income | | | |
| Reversal of impairment of investments in subsidiaries | | - | 18,604,613 |
| | | - | 18,604,613 |
| Operating expenses | | | |
| Administration expenses | 21 | (8,727) | (6,736) |
| Operating (loss)/profit | | (8,727) | 18,597,877 |
| Finance costs | 22 | (14,688) | (9,165) |
| Net (loss)/profit for the year before tax | | (23,415) | 18,588,712 |

BCDF I LIMITED

ADMINISTRATION EXPENSES

For the year ended 31 December 2023

| | 2023 € | 2022 € |
|--------------------------------|--------------|--------------|
| Administration expenses | | |
| Annual levy | 350 | 350 |
| Auditors' remuneration | 2,023 | 2,023 |
| Accounting fees | 714 | 714 |
| Other professional fees | 5,640 | 3,649 |
| | <u>8,727</u> | <u>6,736</u> |

BCDF I LIMITED

FINANCE COSTS

For the year ended 31 December 2023

| | 2023 € | 2022 € |
|--------------------------------|---------------|--------------|
| Finance costs | | |
| Interest expense | | |
| Group interest | 12,308 | 6,975 |
| Interest on taxes | 100 | - |
| Sundry finance expenses | | |
| Bank charges | 2,280 | 2,190 |
| | 14,688 | 9,165 |

BCDF I LIMITED

COMPUTATION OF CORPORATION TAX

For the year ended 31 December 2023

| | | | |
|--|---------|------------|------------------------|
| Net loss per income statement | Page 20 | € | € |
| Add: | | | (23,415) |
| Annual levy | | 350 | |
| Interest on taxes | | <u>100</u> | |
| | | | <u>450</u> |
| Net loss for the year | | | (22,965) |
| Loss brought forward | | | <u>(105,232)</u> |
| Loss | | | (128,197) |
| Unutilised loss of the year 2018 not carried forward | | | <u>29,254</u> |
| Net loss carried forward | | | <u>(98,943)</u> |

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

| Tax year | Profits/(losses) for the tax year | Gains Offset | | Gains Offset | |
|----------|--------------------------------------|--------------|------|--------------|------|
| | | Amount € | Year | Amount € | Year |
| 2018 | (29,254) | - | | - | |
| 2019 | (20,416) | - | | - | |
| 2020 | (21,481) | - | | - | |
| 2021 | (18,180) | - | | - | |
| 2022 | (15,901) | - | | - | |
| 2023 | (22,965) | - | | - | |

Net loss carried forward (98,943)