

**MEGA EQUITY SECURITIES &
FINANCIAL SERVICES PUBLIC
LIMITED**

FINANCIAL STATEMENTS
31 December 2023

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

FINANCIAL STATEMENTS Year ended 31 December 2023

CONTENTS	PAGE
Board of Directors and other Corporate Information	1
Management Report	2 - 3
Independent Auditor's Report	4 - 6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 29

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Andreas Papacharalambous Nicolas Papacostas Charis Charidemou Nicos Hadjiosif
Company Secretary	KKLAW Secretarial Limited
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors Jean Nouvel Tower 6 Stasinou Avenue PO Box 21656 1511 Nicosia, Cyprus
Legal Advisers	Koushos Korfiotis Papacharalambous LLC Christophi & Associates LLC
Registered office	Griva Digeni Avenue 42-44 3rd floor 1080, Nicosia Cyprus
Bankers:	Bank of Cyprus Public Company Ltd Piraeus Bank Greece Ltd Eurobank Greece Ltd
Registration number	HE107394

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

MANAGEMENT REPORT

The Board of Directors of Mega Equity Securities & Financial Services Public Limited (the "Company") presents to the members its Management Report and audited financial statements of the Company for the year ended 31 December 2023.

Incorporation

Mega Equity Securities & Financial Services Public Limited (the "Company") was incorporated in Cyprus on 17 December 1999 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Company

The principal activities of the Company, which are unchanged from last year, are the provision of brokerage and investment services. On 12 May 2003, the Cyprus Securities and Exchange Commission granted the Company operating license number 011/03 as a Cyprus Investment Services Company (CIF). During 2006, based on a decision of the Council of the Athens Stock Exchange, the Company acquired the status of a remote member of the Securities Market of the Athens Stock Exchange within the framework of the Joint Platform of the Athens Stock Exchange - Cyprus Stock Exchange.

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

The net profit for the year attributable to the shareholders of the Company amounted to €20,711 (2022: €16,314). On 31 December 2023 the total assets of the Company were €2,247,784 (2022: €2,108,035) and the net assets of the Company were €1,785,282 (2022: €1,764,571). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 21 of the financial statements.

Future developments of the Company

The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future

Existence of branches

The Company does not maintain any branches.

Results

The Company's results for the year are set out on page 7.

Dividends

The Company did not have any distributable profits as at 31 December 2023, thus the Board of Directors cannot recommend the payment of a dividend.

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 31 December 2023 and 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.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

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

Operating Environment of the Company

Any significant events that relate to the operating environment of the Company are described in note 21 of the financial statements.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

MANAGEMENT REPORT

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 26 of the financial statements.

Independent Auditors

The independent auditors, Ernst & Young 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,



Andreas Papacharalambous
Director

Nicosia, 30 April 2024



**Building a better
working world**

Ernst & Young Cyprus Ltd Tel: +357 22209999
Jean Nouvel Tower Fax: +357 22209998
6 Stasinou Avenue ey.com
1060 Nicosia
P.O. Box 21656
1511 Nicosia, Cyprus

Independent Auditor's Report

To the Members of Mega Equity Securities & Financial Services Public Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mega Equity Securities & Financial Services Public Limited (the "Company"), which are presented in pages 7 to 29 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 financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

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 Management Report, 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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.

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 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.



**Building a better
working world**

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.

A handwritten signature in blue ink, appearing to read 'Andri Hadjikkou', is written over a light blue horizontal line.

Andri Hadjikkou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 30 April 2024

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

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

	Note	2023 €	2022 €
Operating income	8	3.712.385	1.850.288
Operating expenses	9	<u>(2.789.923)</u>	<u>(1.110.887)</u>
Net operating income		922.462	739.401
Other operating income	10	47.974	-
Administration expenses	11	(952.095)	(722.603)
Net loss on financial assets at fair value through profit or loss		<u>-</u>	<u>(775)</u>
Operating profit		18.341	16.023
Finance income		<u>2.370</u>	291
Profit before tax		20.711	16.314
Tax	13	<u>-</u>	-
Net profit for the year		20.711	16.314
Other comprehensive income		<u>-</u>	-
Total comprehensive income for the year		<u>20.711</u>	<u>16.314</u>

The notes on pages 11 to 29 form an integral part of these financial statements.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2023

	Note	2023 €	2022 €
ASSETS			
Non-current assets			
Property, plant and equipment		10.784	9.679
Investment properties	14	596.999	596.999
Contribution to the investor compensation fund	17	97.852	97.099
		<u>705.635</u>	<u>703.777</u>
Current assets			
Trade and other receivables	15	1.231.931	1.357.720
Financial assets at fair value through profit or loss	16	25.813	25.813
Cash at bank and in hand	18	284.405	20.725
		<u>1.542.149</u>	<u>1.404.258</u>
Total assets		<u>2.247.784</u>	<u>2.108.035</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	19	4.832.464	4.832.464
Share premium	19	181.608	181.608
Accumulated losses		(3.228.790)	(3.249.501)
Total equity		<u>1.785.282</u>	<u>1.764.571</u>
Current liabilities			
Trade and other payables	20	461.670	342.632
Current tax liabilities		832	832
Total liabilities		<u>462.502</u>	<u>343.464</u>
Total equity and liabilities		<u>2.247.784</u>	<u>2.108.035</u>

On 30 April 2024 the Board of Directors of Mega Equity Securities & Financial Services Public Limited authorised these financial statements for issue.


.....
Nicolas Papacostas
Director


.....
Charis Charidemou
Director

The notes on pages 11 to 29 form an integral part of these financial statements.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2023

	Share capital €	Share premium €	Accumulated losses €	Total €
Balance at 1 January 2022	4.832.464	181.608	(3.265.815)	1.748.257
Net profit for the year	-	-	16.314	16.314
Balance at 31 December 2022/ 1 January 2023	4.832.464	181.608	(3.249.501)	1.764.571
Net profit for the year	-	-	20.711	20.711
Balance at 31 December 2023	4.832.464	181.608	(3.228.790)	1.785.282

Share premium is not available for distribution.

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 11 to 29 form an integral part of these financial statements.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2023

	Note	2023 €	2022 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		20.711	16.314
Adjustments for:			
Depreciation of property, plant and equipment		-	886
Net loss on financial assets at fair value through profit or loss		-	775
Bad debts recovered		<u>(47.974)</u>	-
		(27.263)	17.975
Changes in working capital:			
Decrease/(increase) in trade and other receivables		173.763	(178.421)
Increase in trade and other payables		<u>118.285</u>	<u>74.681</u>
Cash generated from/(used in) operations		<u>264.785</u>	<u>(85.765)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment		<u>(1.105)</u>	(1.717)
Net cash used in investing activities		<u>(1.105)</u>	(1.717)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net increase/(decrease) in cash and cash equivalents		263.680	(87.482)
Cash and cash equivalents at beginning of the year		<u>20.725</u>	<u>108.207</u>
Cash and cash equivalents at end of the year	18	<u>284.405</u>	<u>20.725</u>

The notes on pages 11 to 29 form an integral part of these financial statements.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

1. Corporate information

Country of incorporation

The Company Mega Equity Securities & Financial Services Public Limited (the "Company") was incorporated in Cyprus on 17 December 1999 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Griva Digeni Avenue 42-44, 3rd floor, 1080, Nicosia, Cyprus.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the provision of brokerage and investment services. On 12 May 2003, the Cyprus Securities and Exchange Commission granted the Company operating license number 011/03 as a Cyprus Investment Services Company (CIF). During 2006, based on a decision of the Council of the Athens Stock Exchange, the Company acquired the status of a remote member of the Securities Market of the Athens Stock Exchange within the framework of the Joint Platform of the Athens Stock Exchange - Cyprus Stock Exchange.

2. Basis of preparation

The 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 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. Summary of material accounting policies

The material 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.

Revenue

Recognition and measurement

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

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

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Summary of material accounting policies (continued)

Revenue (continued)

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

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

- **Loyalty programme**

The Company has a customer loyalty programme whereby customers are awarded credits known as points entitling customers to the right to purchase products at a discount from the Company. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the points and the other components of the sale. The amount allocated to the points is estimated by reference to the fair value of the right to purchase products at a discount. The fair value of the discounted products is estimated based on the amount of the discount, adjusted to take into account the expected forfeiture rate. Such amount is deferred and revenue is recognised when the points are redeemed and the Company has fulfilled its obligations to supply the discounted products. The amount of revenue recognised in those circumstances is based on the number of points that have been redeemed in exchange for discounted paper products, relative to the total number of points that is expected to be redeemed. Deferred revenue is also released to revenue when it is no longer considered probable that the points will be redeemed.

- **Commission income**

Commission income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

- **Financial services income**

Revenue from financial services is recognized when the related transactions are completed and the revenue can be reasonably determined.

- **Interest income**

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

Foreign currency translation

(1) **Functional and presentation currency**

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

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Summary of material accounting policies (continued)

Tax

Income tax expense represents the sum of the tax currently payable and deferred 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.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

Investment properties

Investment property, principally comprising shops and office buildings, is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss and are included in other operating income.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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).

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Summary of material accounting policies (continued)

Financial assets - Recognition

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.

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.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Summary of material accounting policies (continued)

Financial assets - Measurement (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's Management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTPL are not reported separately from other changes in fair value.

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.

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.

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.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Summary of material accounting policies (continued)

Financial assets - modification (continued)

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

Classification as financial assets at amortised cost

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

Classification as trade receivables

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

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

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

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

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Summary of material accounting policies (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.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

4. Summary of material accounting policies (continued)

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.

Comparatives

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

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 objectives and policies

Financial risk factors

The Company is exposed to interest rate risk, credit 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 fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's income and operating cash inflows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets and liabilities.

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 from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of 'C'.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

(ii) Impairment of financial assets

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

- trade and other receivables
- cash and cash equivalents

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

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

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6. Financial risk management objectives and policies (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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

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

Significant increase in credit risk

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

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

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

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

Default

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

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6. Financial risk management objectives and policies (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Write-off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a debt financial asset for write off when a debtor fails to make contractual payments greater than 180 days past due. Where debt financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

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

Trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2023 or 1 January 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The estimated loss allowance on trade receivables as at 31 December 2023 and 31 December 2022 was immaterial.

Receivables from related parties

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

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2023 and 31 December 2022:

Company internal credit rating	2023	2022
	€	€
Performing	191,996	146,618
Total	191,996	146,618

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

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

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6. Financial risk management objectives and policies (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents

The Company assesses, on a group basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

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

The gross carrying amounts below represent the Company's maximum exposure to credit risk on these assets as at 31 December 2023 and 31 December 2022:

Company internal credit rating	External credit rating	2023 €	2022 €
Performing	Baa3	<u>283.994</u>	20.646
Total		<u>283.994</u>	<u>20.646</u>

The ECL on current accounts is considered to be approximate to 0, unless the bank is subject to capital controls. The ECL on deposits accounts is calculated by considering published PDs for the rating as per Moody's and an LGD of 40-60% as published by ECB.

The Company does not hold any collateral as security for any cash at bank balances.

There were no significant cash at bank balances written off during the year that are subject to enforcement activity.

6.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company has established procedures with the objective of maintaining a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and hire purchase contracts.

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted payments:

	On demand €	Less than 3 months €	3 - 12 months €	1 to 5 years €	More than 5 years €	Total €
31 December 2023						
Trade and other payables	-	461.670	-	-	-	461.670
	-	461.670	-	-	-	461.670
31 December 2022						
Trade and other payables	-	342.632	-	-	-	342.632
	-	342.632	-	-	-	342.632

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

6. Financial risk management objectives and policies (continued)

6.4 Capital risk management

Capital includes equity shares and share premium.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions, in order 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. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company's overall objectives, policies and processes remain unchanged from last year.

7. Critical accounting estimates, judgments and assumptions

The preparation of the Company's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

In the process of applying the Company's accounting policies, Management has made the following judgments, apart from those involving estimations, which had the most significant effect on the amounts recognised in the financial statements:

- **Going concern basis**

The financial statements have been prepared on the going concern basis. In examining the Company's ability to operate as a going concern, the Board of Directors took into account the impact of the following:

The deterioration of the Cypriot economy in previous years, to which the Company is significantly exposed, has negatively affected the Company's operations and presents significant risks as analyzed in Note 6.

There continue to be a number of financial risks and uncertainties affecting the Cypriot banking system and the Cypriot economy. The main risks stem from the unfavorable macroeconomic environment, the developments in the debt crisis of the eurozone countries/governments and the successful, or not, efforts for significant fiscal adjustments and their effects on the Cypriot economy.

The Company generated profits of €20.711 for the year ended 31 December 2023 reducing accumulated losses on 31 December 2023 to €3.228.790.

Despite the above accumulated losses, the Company continues to have significant equity capital and meet the necessary levels of capital adequacy even though its available liquidity has decreased. Also, the Company does not have any loans. The Board of Directors took measures to limit operating expenses in order to maintain the Company's available liquidity at a healthy level.

The Board of Directors, having taken into account the above factors, is satisfied that the financial statements have been properly prepared on a going concern basis.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

7. Critical accounting estimates, judgments and assumptions (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.

• Deferred revenue

The amount allocated to the points, granted through a customer loyalty programme, is estimated by reference to the fair value of the discounted products for which they could be redeemed, since the fair value of the points themselves is not directly observable. The fair value of the right to purchase products at a discount for which the points can be redeemed takes into account the amount of the discount, adjusted to take into account the expected forfeiture rate.

• 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.

8. Operating income

	2023	2022
	€	€
Brokerage commission income and other investment services	3,209,562	1,791,434
Other operating income	<u>502,823</u>	<u>58,854</u>
	<u>3,712,385</u>	<u>1,850,288</u>

9. Operating expenses

	2023	2022
	€	€
Agent commissions	2,381,291	853,674
Stock exchange and other expenses	<u>408,632</u>	<u>257,213</u>
	<u>2,789,923</u>	<u>1,110,887</u>

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

10. Other operating income

	2023	2022
	€	€
Bad debts recovered	47.974	-
	47.974	-

11. Administration expenses

	2023	2022
	€	€
Staff costs (Note 12)	276.146	278.017
Bank expenses	24.099	18.517
Casual wages	38.108	17.209
Municipality taxes	806	1.570
Electricity	10.985	9.173
Cleaning expenses	2.600	2.360
Insurance	1.180	-
Repairs and maintenance	4.769	1.836
Sundry expenses	80.047	112.978
Telephone and postage	13.806	8.757
Stationery and printing	2.298	1.210
Subscriptions and contributions	198.811	131.958
Consulting fees	81.985	72.142
Staff training	3.909	5.201
Telephone services and IT consumables	15.992	7.274
Auditor's remuneration - current year	10.000	6.500
Auditor's remuneration - prior years	3.528	-
Legal and other professional fees	182.945	45.925
Bad debts written-off	81	1.090
Depreciation	-	886
	952.095	722.603

12. Staff costs

	2023	2022
	€	€
Salaries	239.909	241.408
Social security costs	36.237	36.609
	276.146	278.017
Average number of employees	8	8

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

13. Tax

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

	2023	2022
	€	€
Profit before tax	<u>20.711</u>	<u>16.314</u>
Tax calculated at the applicable tax rates	2.589	2.039
Tax effect of allowances and income not subject to tax	(2.818)	(2.039)
10% additional charge	<u>229</u>	<u>-</u>
Tax charge	<u>-</u>	<u>-</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (reduced to 17% as of 1 January 2024). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

14. Investment properties

	2023	2022
	€	€
Balance at 1 January	<u>596.999</u>	<u>596.999</u>
Balance at 31 December	<u>596.999</u>	<u>596.999</u>

15. Trade and other receivables

	2023	2022
	€	€
Trade receivables	1.522.757	1.815.409
Less: credit loss on trade receivables	<u>(779.182)</u>	<u>(921.662)</u>
Trade receivables - net	743.575	893.747
Shareholders' current accounts - debit balances (Note 22.2)	191.996	146.618
Prepayments	32.745	-
Ancillary deposits and additional guarantees with stock exchanges	254.957	116.236
Other receivables	<u>8.658</u>	<u>201.119</u>
	<u>1.231.931</u>	<u>1.357.720</u>

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

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

15. Trade and other receivables (continued)

Movement in provision for impairment of receivables:

	2023	2022
	€	€
Balance at 1 January	921.662	921.662
Amounts written off as uncollectible	(94.506)	-
Bad debts recovered	(47.974)	-
Balance at 31 December	779.182	921.662

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

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the financial statements.

16. Financial assets at fair value through profit or loss

	2023	2022
	€	€
Balance at 1 January	25.813	26.588
Additions	-	(775)
Balance at 31 December	25.813	25.813

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 31 December by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

17. Contribution to the investor compensation fund

	2023	2022
	€	€
Investor compensation fund deposit	97.852	97.099

The Company's contribution to the Investor Compensation Fund is a mandatory deposit based on Directive 144-2007-15 of 2015 of the Cyprus Capital Market Commission for the continuation of the operation and operation of the Investor Compensation Fund for clients of Cypriot Investment Services Companies (CIF) and is recognized on the balance sheet in non-current assets. This contribution is not available for use by the Company.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

18. Cash at bank and in hand

Cash balances are analysed as follows:

	2023	2022
	€	€
Cash in hand	411	79
Current accounts	<u>283.994</u>	20.646
	<u>284.405</u>	<u>20.725</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

19. Share capital and share premium

	2023	2023	2022	2022
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €0,15 each	<u>56.666.667</u>	<u>8.500.000</u>	<u>56.666.667</u>	<u>8.500.000</u>
Issued	Number of shares	Share capital	Share premium	Total
Balance at 31 December 2023	<u>32.216.426</u>	<u>4.832.464</u>	<u>181.608</u>	<u>5.014.072</u>

As of 31 December 2023 and 2022, the 32.216.426 issued ordinary shares include shares with an initial par value of €59.801 that have not been paid by shareholders. The Company will take legal action to collect this amount.

20. Trade and other payables

	2023	2022
	€	€
Trade payables	429.424	246.744
Accruals	<u>32.246</u>	95.888
	<u>461.670</u>	<u>342.632</u>

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

21. 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 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.

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

21. Operating Environment of the Company (continued)

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 limited direct exposure to Russia, Ukraine, and Belarus and as such does not expect significant impact from direct exposures to these countries.

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

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations. Management will continue to monitor the situation closely and will assess the need for further investigation in case the crisis becomes prolonged.

22. Related party transactions

There is no shareholder controlling the Company.

The following transactions were carried out with related parties:

22.1 Directors' remuneration

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

	2023	2022
	€	€
Directors' fees	<u>148.382</u>	<u>149.864</u>

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2023

22. Related party transactions (continued)

22.2 Shareholders' current accounts - debit balances (Note 15)

	2023	2022
	€	€
Charis Charidemou	59.470	14.095
Nicolas Papacostas	12.580	12.577
Charis Assiotis	60.145	60.145
Shareholders' receivable - unpaid share capital	59.801	59.801
	<u>191.996</u>	<u>146.618</u>

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

23. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2023 and 2022.

24. Commitments

The Company had no capital or other commitments as at 31 December 2023 and 2022.

25. Customer data management

In the ordinary course of business, the Company as an Investment Services Company (IFS) owns and manages assets on behalf of its clients, based on existing contracts. The assets and liabilities, and income and expenses arising from the Company's status as an investment firm, are not included in these financial statements as they do not belong to the Company.

The maximum financial risk to which the Company is exposed at any time in relation to with the assets it holds on behalf of its clients is equal to the fair value of the assets it holds on behalf of its clients based on the existing asset management contracts and consists of bank and corresponding customer credit balances that on 31 December 2023 amounted to €1.906.619 (2022: €1.906.665).

26. Events after the reporting period

As explained in note 21 the geopolitical situation in Eastern Europe and the Middle East remains intense with the continuation of the conflict between Russia and Ukraine and the Israel-Gaza conflict. As at the date of authorising these financial statements for issue, the conflicts continue to evolve as military activity proceeds and additional sanctions are imposed.

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

Independent Auditor's Report on pages 4 to 6

MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LTD
ΠΡΑΚΤΙΚΑ ΣΥΝΕΔΡΙΑΣ ΔΙΟΙΚΗΤΙΚΟΥ ΣΥΜΒΟΥΛΙΟΥ
ΤΗΣ 29 ΑΠΡΙΛΙΟΥ 2024

Ωρα: 4:00 μ.μ.

Τόπος: Κεντρικά γραφεία ΚΟΥΣΙΟΣ-ΚΟΡΦΙΩΤΗΣ-ΠΑΠΑΧΑΡΑΛΑΜΠΟΥΣ ΔΕΠΕ

Παρόντα Μέλη Διοικητικού Συμβουλίου:

Ανδρέας Παπαχαραλάμπους (Πρόεδρος- ανεξάρτητο, μη-εκτελεστικό μέλος),

Νίκος Χ 'Ιωσήφ (ανεξάρτητο, μη-εκτελεστικό μέλος),

Νικόλας Παπακώστας (εκτελεστικό μέλος),

Χάρης Χαριδήμου (εκτελεστικό μέλος).

Θέματα ημερήσιας διάταξης:

1. Ετήσια Έκθεση Εσωτερικού Ελέγχου 2023 (Internal Audit Report 2023)

Μελετήθηκε διεξοδικά το περιεχόμενο της Ετήσιας Έκθεσης Εσωτερικού Ελέγχου 2023 που ετοιμάστηκε από τους εσωτερικούς ελεγκτές AXIUM PARTNERS. Αναλύθηκαν τα σημεία των παρατηρήσεων του Εσωτερικού Ελέγχου (Ε.Ε.) και δόθηκαν εξηγήσεις (management response) από τη Διοίκηση. Αποφασίστηκε να δοθούν οδηγίες προς τον Λειτουργό Συμμόρφωσης/AMLCO για συμμόρφωση με τις εισηγήσεις και για διόρθωση των αδυναμιών που εντοπίστηκαν από τους εσωτερικούς ελεγκτές. Δόθηκαν επίσης οδηγίες ο Λειτουργός Συμμόρφωσης/AMLCO βεβαιωθεί ούτως ώστε οι επιστημονικές/σχόλια/εισηγήσεις (findings/comments/recommendations) των εσωτερικών ελεγκτών, οι τοποθετήσεις της διοίκησης (management response) και τα χρονοδιαγράμματα (implementation timeline) που αναφέρονται στην έκθεση Εσωτερικού Ελέγχου (internal audit report 2023) τηρηθούν αυστηρά και γίνει σχετική ενημέρωση του ΔΣ σε επόμενη του συνεδρία. Δόθηκαν επίσης οδηγίες όπως ο Λειτουργός Συμμόρφωσης/AMLCO βεβαιωθεί ότι τηρούνται τα χρονοδιαγράμματα των διαδικασιών ετοιμασίας και υποβολής των απαραίτητων στοιχείων/καταστάσεων στις εποπτικές αρχές, να αυστηροποιηθεί η παρακολούθηση των διαδικασιών ούτως ώστε να αποφευχθούν αχρείαστες καθυστερήσεις και πιθανές επακόλουθες αρνητικές επιπτώσεις (επιπλήξεις η/και χρηματικά πρόστιμα).

Το Διοικητικό Συμβούλιο ενέκρινε την Έκθεση Εσωτερικού Ελέγχου Δεκ.2023 (internal audit report Dec 2023).

2. Ετήσια Έκθεση Διαχείρισης Κινδύνων 2023 (Risk Management Report 2023).

Το Διοικητικό Συμβούλιο αξιολόγησε και ενέκρινε την Ετήσια Έκθεση Διαχείρισης Κινδύνων (Risk Management Report) 2023 που ετοιμάστηκε από τον υπεύθυνο Διαχείρισης Κινδύνων (risk manager) κ Χάρη Χαριδήμου. Δόθηκαν οδηγίες όπως διορθωθούν οι αδυναμίες που εντοπίστηκαν.

Για τις Εκθέσεις (α) Ετήσια Έκθεση Εσωτερικού Ελέγχου 2023, (β) Ετήσια Έκθεση Διαχείρισης Κινδύνων 2023, και (γ) Ετήσια Έκθεση Συμμόρφωσης/AMLCFT 2023 η οποία εγκρίθηκε στην συνεδρία της 20.2.2024) το Διοικητικό Συμβούλιο έδωσε οδηγίες προς τους εκτελεστικούς διευθυντές και τον λειτουργό συμμόρφωσης να ενημερώνονται για τις εξελίξεις στη νομοθεσία και να την εφαρμόζουν στις εσωτερικές διαδικασίες που ακολουθούνται.

Α.Χ. 3



MEGA EQUITY SECURITIES & FINANCIAL SERVICES PUBLIC LTD
ΠΡΑΚΤΙΚΑ ΣΥΝΕΔΡΙΑΣ ΔΙΟΙΚΗΤΙΚΟΥ ΣΥΜΒΟΥΛΙΟΥ
ΤΗΣ 29 ΑΠΡΙΛΙΟΥ 2024

3. Ετήσια Έκθεση και Οικονομικές Καταστάσεις της Εταιρείας για το έτος που έληξε στις 31 Δεκεμβρίου 2023 που ετοιμάστηκαν από τους εξωτερικούς ελεγκτές Ernst & Young Cyprus Limited.

Το Διοικητικό Συμβούλιο ενημερώθηκε, αξιολόγησε και ενέκρινε την Ετήσια Έκθεση και τις Οικονομικές Καταστάσεις της Εταιρείας για το έτος που έληξε στις 31 Δεκεμβρίου 2023. Οι κκ Ν. Παπακώστας και Χ. Χαρίδημου ενημέρωσαν το Διοικητικό Συμβούλιο για τα οικονομικά αποτελέσματα της Εταιρείας για την περίοδο 1.1.2023 μέχρι 31.12.2023. Αξιολογήθηκαν τα οικονομικά αποτελέσματα, τα έσοδα, έξοδα, αμοιβές προσωπικού αμοιβές και προμήθειες εκτελεστικών διευθυντών, επισφάλειες χρεωστών και χρεωστικά υπόλοιπα. Οι οικονομικές επιδόσεις της Εταιρείας κρίθηκαν ικανοποιητικές και οφείλονται στη βελτίωση των εισοδημάτων από παρεχόμενες υπηρεσίες σε όλους τους τομείς δραστηριότητας. Η βελτίωση στα εισοδήματα της Εταιρείας οφείλεται στα (α) στα αυξημένα έσοδα από χρηματιστηριακές προμήθειες από χρηματιστηριακές συναλλαγές πελατών (β) στα αυξημένα έσοδα από υπηρεσίες depositary και από υπηρεσίες διαχείρισης κίνδυνων (risk management) Ο.Ε.Ε. (οργανισμοί εναλλακτικών επενδύσεων), (γ) στα σταθερά έσοδα από account maintenance fees λογαριασμών πελατών και (δ) στα αυξημένα έσοδα έσοδα από υπηρεσίες Συμβούλου εισαγωγής ΧΑΚ (NO.MAT) και υπηρεσίες paying agency χρεογράφων.

4. Αξιολόγηση των προϋπολογισμών του έτους 2024.

Αξιολογήθηκαν και εγκρίθηκαν οι προϋπολογισμοί για το έτος 2024.

5. Ημερομηνία σύγκλισης Γενικής Συνέλευσης των μετόχων της Εταιρείας.

Αποφασίστηκε όπως η ημερομηνία σύγκλισης της Ετήσιας Γενικής Συνέλευσης των μετόχων της Εταιρείας για το έτος 2023 καθοριστεί μέσα στους επόμενους μήνες και να ενημερωθεί ο Γραμματέας της εταιρείας για την ολοκλήρωση των απαιτούμενων διαδικασιών.

Τα πρακτικά εγκρίνονται από :

Ανδρέας Παπαχαλαράμπος

Νίκος Χ' Ιωσήφ

Νικόλας Παπακώστας

Χάρης Χαρίδημου

.....

.....

.....

.....

