

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2023

P.G. Economides & Co Limited
Chartered Certified Accountants

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

REPORT AND FINANCIAL STATEMENTS
Year ended 31 March 2023

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LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Atlas Alpha Services Limited
Potassa Holdings Limited
Sunilkumar Ramniklal Upadhyay
Sandipan Sengupta

Company Secretary:

Totalserve Management Limited

Independent Auditors:

P.G. Economides & Co Limited
Chartered Certified Accountants
30, Gr. Xenopoulou Street
3106 Limassol, Cyprus

Registered office:

Totalserve House
17 Gr. Xenopoulou Street
3106 Limassol
Cyprus

Bankers:

Bank of Cyprus Public Company Ltd
ABSA Bank (Mauritius) Ltd
DBS Bank Singapore

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

MANAGEMENT REPORT

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

Principal activity and nature of operations of the Company

The principal activity of the Company, is holding of investment and financial support to its subsidiaries through loans and / or equipment lease.

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

The Company's results for the year are set out on page 4.

The Company's major stream of revenue is dividend income and rental income.

The Company's development to date, financial results and position as presented in the Report and financial statements are considered satisfactory.

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's ultimate parent EPL Limited (previously known as Essel Propack Limited), a Company incorporated and resident in India produced consolidated financial statements available for public use that comply with Ind-AS (converged IFRS). These consolidated financial statements can be obtained at the Top floor, Times Tower, Kamala City, Mumbai 400 013, India, at present on the Company's website.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 5, 6 and 26 of the financial statements.

Subsidiaries and Associates

The Company has manufacturing & trading presence in Egypt through its direct subsidiary. The subsidiary is in the business of production of plastic packaging material in form of multilayer plastic collapsible tubes used primarily for packaging of oral care, beauty & cosmetics, pharma & health, home and food categories.

The Company's subsidiary in Egypt continued to perform well, with good progress on the non-oral care category sales.

Dividends

On 20 May 2022 the Board of Directors approved the payment of an interim dividend of US\$1,000,000 (2022: US\$-NIL).

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 March 2023 and at the date of this report are presented on page 1.

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.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

MANAGEMENT REPORT

Independent Auditors

The Independent Auditors, P.G. Economides & Co 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,



Sunilkumar Ramniklal Upadhyay
Director

~~Ennassaf~~, 11th May..... 2023

P.G. ECONOMIDES & CO LIMITED

30, Gr. Xenopoulou Street
3106 Limassol, Cyprus

P.O. Box 53117
3300 Limassol, Cyprus

Tel.: +357 25 559000

Fax: +357 25 559001

audit@pgeconomides.eu

www.pgeconomides.eu

Independent Auditor's Report

To the Members of Lamitube Technologies (Cyprus) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Lamitube Technologies (Cyprus) Limited (the "Company"), which are presented in pages 7 to 32 and comprise the statement of financial position as at 31 March 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 Lamitube Technologies (Cyprus) Limited as at 31 March 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 and the additional information to the statement of profit or loss and other comprehensive income in pages 33 to 40, 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.



Independent Auditor's Report (continued)

To the Members of Lamitube Technologies (Cyprus) Limited

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.

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.

Independent Auditor's Report (continued)

To the Members of Lamitube Technologies (Cyprus) Limited

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

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.

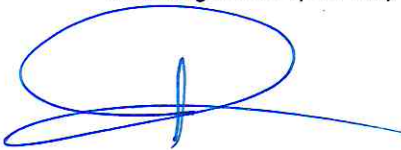
Report on Other Legal Requirements

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

- In our opinion, 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 our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

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.



Androula Panteli
Certified Public Accountant and Registered Auditor
for and on behalf of
P.G. Economides & Co Limited
Chartered Certified Accountants

Limassol, 11 May 2023

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

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

	Note	31.03.2023 US\$	31.03.2022 US\$
Revenue	7	183,900	270,311
Other operating income	8	-	66,847
Profit from investing activities	9	147,000	2,433,120
Administration expenses		(276,862)	(254,057)
Other expenses	10	(33,095)	(1,083)
Operating profit	11	20,943	2,515,138
Finance income	12	11,313	-
Finance costs	12	(7,355)	(2,359)
Net foreign exchange loss	13	(642)	(547)
Profit before tax		24,259	2,512,232
Tax	14	(61,024)	(197,761)
Net (loss)/profit for the year		(36,765)	2,314,471
Other comprehensive income		-	-
Total comprehensive income for the year		(36,765)	2,314,471

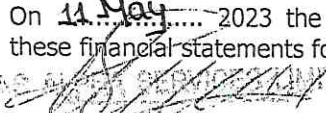
The notes on pages 11 to 32 form an integral part of these financial statements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

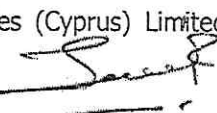
STATEMENT OF FINANCIAL POSITION 31 March 2023

	Note	2023 US\$	31.03.2022 US\$
ASSETS			
Non-current assets			
Property, plant and equipment	16	647,646	879,844
Investments in subsidiaries	17	1,706,137	1,706,137
Financial assets at fair value through profit or loss	20	3,166,125	3,199,220
Non-current loans receivable	18	3,004,000	-
		<u>8,523,908</u>	<u>5,785,201</u>
Current assets			
Receivables	19	148,165	314
Cash at bank and in hand	21	430,903	1,347,213
		<u>579,068</u>	<u>1,347,527</u>
Total assets		<u>9,102,976</u>	<u>7,132,728</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	22	4,300,000	4,300,000
Retained earnings		1,790,470	2,827,235
Total equity		<u>6,090,470</u>	<u>7,127,235</u>
Non-current liabilities			
Borrowings	23	2,625,000	-
		<u>2,625,000</u>	<u>-</u>
Current liabilities			
Trade and other payables	24	5,470	5,493
Borrowings	23	379,842	-
Current tax liabilities	25	2,194	-
		<u>387,506</u>	<u>5,493</u>
Total liabilities		<u>3,012,506</u>	<u>5,493</u>
Total equity and liabilities		<u>9,102,976</u>	<u>7,132,728</u>

On 11 May 2023 the Board of Directors of Lamitube Technologies (Cyprus) Limited authorised these financial statements for issue.


Atlas Alpha Services Limited
Director


Potassa Holdings Limited
Director


Sunilkumar Ramniklal Upadhyay
Director

The notes on pages 11 to 32 form an integral part of these financial statements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

STATEMENT OF CHANGES IN EQUITY Year ended 31 March 2023

	Note	Share capital US\$	Retained earnings US\$	Total US\$
Balance at 1 April 2021		5,500,000	512,764	6,012,764
Comprehensive income				
Net profit for the year		-	2,314,471	2,314,471
Total comprehensive income for the year		-	2,314,471	2,314,471
Transactions with owners				
Reduction of share capital	22	(1,200,000)	-	(1,200,000)
Total transactions with owners		(1,200,000)	-	(1,200,000)
Balance at 31 March 2022/ 1 April 2022		4,300,000	2,827,235	7,127,235
Comprehensive income				
Net loss for the year		-	(36,765)	(36,765)
Total comprehensive income for the year		-	(36,765)	(36,765)
Transactions with owners				
Dividends	15	-	(1,000,000)	(1,000,000)
Total transactions with owners		-	(1,000,000)	(1,000,000)
Balance at 31 March 2023		4,300,000	1,790,470	6,090,470

The notes on pages 11 to 32 form an integral part of these financial statements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

CASH FLOW STATEMENT Year ended 31 March 2023

	Note	31.03.2023 US\$	31.03.2022 US\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		24,259	2,512,232
Adjustments for:			
Depreciation of property, plant and equipment	16	232,198	232,199
Unrealised exchange loss		642	547
Fair value losses/(gains) on financial assets at fair value through profit or loss		33,095	(66,847)
Dividend income	9	(147,000)	(2,433,120)
Interest income	12	(11,313)	-
Interest expense	12	4,842	19
		136,723	245,030
Changes in working capital:			
Increase in receivables		(147,851)	(314)
Decrease in trade and other payables		(23)	(961)
		(11,151)	243,755
Cash (used in)/generated from operations		(58,830)	(198,089)
Tax paid		(69,981)	45,666
Net cash (used in)/generated from operating activities		(69,981)	45,666
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans granted		(3,004,000)	-
Interest received		11,313	-
Dividends received		147,000	2,433,120
Net cash (used in)/generated from investing activities		(2,845,687)	2,433,120
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	(1,200,000)
Proceeds from borrowings		3,004,842	-
Unrealised exchange (loss)		(642)	(547)
Interest paid		(4,842)	(19)
Dividends paid		(1,000,000)	-
Net cash generated from/(used in) financing activities		1,999,358	(1,200,566)
Net (decrease)/increase in cash and cash equivalents		(916,310)	1,278,220
Cash and cash equivalents at beginning of the year		1,347,213	68,993
Cash and cash equivalents at end of the year	21	430,903	1,347,213

The notes on pages 11 to 32 form an integral part of these financial statements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

1. Incorporation and principal activities

Country of incorporation

The Company Lamitube Technologies (Cyprus) Limited (the "Company") was incorporated in Cyprus on 22 April 2004 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Totalserve House, 17 Gr. Xenopoulou Street, 3106 Limassol, Cyprus.

Principal activity

The principal activity of the Company, is holding of investment and financial support to its subsidiaries through loans and / or equipment lease.

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's ultimate parent EPL Limited (previously known as Essel Propack Limited), a Company incorporated and resident in India produced consolidated financial statements available for public use that comply with Ind-AS (converged IFRS). These consolidated financial statements can be obtained at the Top floor, Times Tower, Kamala City, Mumbai 400 013, India, at present on the Company's website.

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. 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.

Subsidiary companies

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Revenue

Recognition and measurement

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

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

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

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

Identification of performance obligations

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

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

- **Rental income**

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

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Revenue recognition (continued)

- **Dividend income**

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

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

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

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), 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.

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.

Property, plant and equipment

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

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

	%
Machinery	11.64

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Property, plant and equipment (continued)

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

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

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

Impairment of non-financial assets

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

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.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - Classification (continued)

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

Financial assets - 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

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

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.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 5, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 5, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 5, 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

Financial assets - modification

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

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

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

Cash and cash equivalents

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

Classification as financial assets at amortised cost

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

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

Credit related commitments

The Company issues commitments to provide loans. Such commitments are initially recognised at their fair value, which is normally evidenced by the amount of fees received. This amount is amortised on a straight-line basis over the life of the commitment, except for commitments to originate loans if it is probable that the Company will enter into a specific lending arrangement and does not expect to sell the resulting loan shortly after origination; such loan commitment fees are deferred and included in the carrying value of the loan on initial recognition. At the end of each reporting period, the commitments are measured at (i) the remaining unamortised balance of the amount at initial recognition, plus (ii) the amount of the loss allowance determined based on the expected credit loss model, unless the commitment is to provide a loan at a below market interest rate, in which case the measurement is at the higher of these two amounts. The carrying amount of the loan commitments represents a liability. For contracts that include both a loan and an undrawn commitment and where the Company cannot separately distinguish the ECL on the undrawn loan component from the loan component, the ECL on the undrawn commitment is recognised together with the loss allowance for the loan. To the extent that the combined ECLs exceed the gross carrying amount of the loan, they are recognised as a liability.

Financial liabilities - measurement categories

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

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

Borrowings

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

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.)

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

3. Significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - Modifications (continued)

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.

Share capital

Ordinary and preference shares are classified as equity.

Non-current liabilities

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

4. 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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

5. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk, currency 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:

5.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from [cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.]

(i) Risk management

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

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. [Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.]

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

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

(ii) Impairment of financial assets

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

- cash and cash equivalents

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

5. Financial risk management (continued)

5.1 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Receivables from related parties (continued)

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

The 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.

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 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.

(iii) Financial assets at fair value through profit or loss

5.2 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.

5.3 Currency risk

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

5. Financial risk management (continued)

5.4 Capital risk management

Capital includes equity shares and share premium, non cumulative optionally convertible redeemable preference shares

The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

6. Critical accounting estimates and judgments

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

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **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.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

6. Critical accounting estimates and judgments (continued)

Critical judgements in applying the Company's accounting policies

- **Fair value of financial assets**

- **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.

- **Impairment of loans receivable**

The Company periodically evaluates the recoverability of loans receivable 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 in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 5, Credit risk section.

- **Impairment of non-financial assets**

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Useful live of depreciable assets**

The Board of Directors assesses the useful lives of depreciable assets at each reporting date, and revises them if necessary so that the useful lives represent the expected utility of the assets to the Company. Actual results, however, may vary due to technological obsolescence, mis-usage and other factors that are not easily predictable.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

7. Revenue

Disaggregation of revenue	31.03.2023	31.03.2022
	US\$	US\$
Rental income	<u>183,900</u>	<u>270,311</u>
	<u>183,900</u>	<u>270,311</u>

8. Other operating income

	31.03.2023	31.03.2022
	US\$	US\$
Fair value gains on financial assets at fair value through profit or loss	<u>-</u>	<u>66,847</u>
	<u>-</u>	<u>66,847</u>

9. Profit from investing activities

	31.03.2023	31.03.2022
	US\$	US\$
Dividend income	<u>147,000</u>	<u>2,433,120</u>
	<u>147,000</u>	<u>2,433,120</u>

10. Other expenses

	31.03.2023	31.03.2022
	US\$	US\$
Capital issue/reduction costs	<u>-</u>	<u>1,083</u>
Fair value losses on financial assets at fair value through profit or loss	<u>33,095</u>	<u>-</u>
	<u>33,095</u>	<u>1,083</u>

11. Operating profit

	31.03.2023	31.03.2022
	US\$	US\$
Operating profit is stated after charging the following items which form part of the administration expenses:		
Depreciation of property, plant and equipment (Note 16)	<u>232,198</u>	<u>232,199</u>
Auditors' remuneration	<u>5,177</u>	<u>5,284</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

12. Finance income/(costs)

	31.03.2023	31.03.2022
	US\$	US\$
Interest income	<u>11,313</u>	-
Finance income	<u>11,313</u>	-
Interest expense	<u>(4,842)</u>	(19)
Sundry finance expenses	<u>(2,513)</u>	(2,340)
Finance costs	<u>(7,355)</u>	(2,359)
Net finance income/(cost)	<u>3,958</u>	(2,359)

13. Net loss from foreign exchange transactions

	31.03.2023	31.03.2022
	US\$	US\$
Unrealised exchange loss	<u>(642)</u>	(547)
	<u>(642)</u>	(547)

The unrealised exchange loss arises from monetary assets and liabilities denominated in foreign currencies, translated to United States Dollars using the rate of exchange ruling at the reporting date.

14. Tax

	31.03.2023	31.03.2022
	US\$	US\$
Overseas tax	<u>58,830</u>	197,761
Defence contribution	<u>2,194</u>	-
Charge for the year	<u>61,024</u>	197,761

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. 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.

The Company's chargeable income for the year amounted to US\$151,677 which has been set off against tax losses brought forward. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

15. Dividends

	31.03.2023	31.03.2022
	US\$	US\$
Interim dividend paid	<u>1,000,000</u>	-
	<u>1,000,000</u>	-

On 20 May 2022 the Board of Directors approved the payment of an interim dividend of US\$1,000,000 (2022: US\$-NIL).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled. Dividends are also subject to a 2,65% contribution to the General Healthcare System.

16. Property, plant and equipment

	Plant and machinery US\$
Cost	
Balance at 1 April 2021	2,100,000
Balance at 31 March 2022/ 1 April 2022	<u>2,100,000</u>
Balance at 31 March 2023	<u>2,100,000</u>
Depreciation	
Balance at 1 April 2021	987,958
Charge for the year	<u>232,198</u>
Balance at 31 March 2022/ 1 April 2022	<u>1,220,156</u>
Charge for the year	<u>232,198</u>
Balance at 31 March 2023	<u>1,452,354</u>
Net book amount	
Balance at 31 March 2023	<u><u>647,646</u></u>
Balance at 31 March 2022	<u><u>879,844</u></u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

17. Investment in subsidiary

	31.03.2023	31.03.2022
	US\$	US\$
Balance at 1 April	<u>1,706,137</u>	1,706,137
Balance at 31 March	<u>1,706,137</u>	<u>1,706,137</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Holding %	2023 US\$	31.03.2022 US\$
Essel Propack Misr	Egypt		75	<u>1,706,137</u>	1,706,137
				<u>1,706,137</u>	<u>1,706,137</u>

18. Non-current loans receivable

	2023	31.03.2022
	US\$	US\$
Loans to own subsidiaries (Note 27.3)	<u>3,004,000</u>	-
	<u>3,004,000</u>	<u>-</u>

The exposure of the Company to credit risk in relation to loans receivable is reported in note 5 of the financial statements.

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

Loans receivable Name	Currency	Principal Amount	Interest rate	Interest balance	Total	Maturity date
EPL Misr SAE	United States Dollars	3,000,000	8%	4,000	3,004,000	29/12/2027

19. Receivables

	31.03.2023	31.03.2022
	US\$	US\$
Receivables from own subsidiaries (Note 27.2)	147,120	-
Accrued income	1,045	-
Other receivables	<u>-</u>	314
	<u>148,165</u>	<u>314</u>

The fair values of 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 receivables is reported in note 5 of the financial statements.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

20. Financial assets at fair value through profit or loss

	31.03.2023	31.03.2022
	US\$	US\$
Balance at 1 April	3,199,220	3,132,373
Change in fair value	(33,095)	66,847
Balance at 31 March	<u>3,166,125</u>	<u>3,199,220</u>

21. Cash at bank and in hand

Cash balances are analysed as follows:

	31.03.2023	31.03.2022
	US\$	US\$
Cash at bank and in hand	<u>430,903</u>	<u>1,347,213</u>
	<u>430,903</u>	<u>1,347,213</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 5 of the financial statements.

22. Share capital

	31.03.2023	31.03.2023	31.03.2022	31.03.2022
	Number of	US\$	Number of	US\$
	shares		shares	
Authorised				
1,600 Ordinary shares of US\$1,000 each	1,600	1,600,000	1,600	1,600,000
8,437 Preference shares of US\$1,000 each	8,437	8,437,000	8,437	8,437,000
	<u>10,037</u>	<u>10,037,000</u>	<u>10,037</u>	<u>10,037,000</u>
Issued and fully paid				
<u>Ordinary shares</u>				
Balance at 1 April	1,600	1,600,000	1,600	1,600,000
Balance at 31 March	<u>1,600</u>	<u>1,600,000</u>	<u>1,600</u>	<u>1,600,000</u>
<u>Preference shares</u>				
Balance at 1 April Reduction of shares	2,700	2,700,000	3,900	3,900,000
Issue of shares	-	-	(1,200)	(1,200,000)
Balance at 31 March	<u>2,700</u>	<u>2,700,000</u>	<u>2,700</u>	<u>2,700,000</u>
Total at 31 March	<u>4,300</u>	<u>4,300,000</u>	<u>4,300</u>	<u>4,300,000</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

23. Borrowings

	31.03.2023	31.03.2022
	US\$	US\$
Current borrowings		
Bank loans	379,842	-
Non-current borrowings		
Bank loans	2,625,000	-
Total	3,004,842	-

Maturity of non-current borrowings:

	31.03.2023	31.03.2022
	US\$	US\$
Within one year	379,842	-
Between one and five years	2,625,000	-
	3,004,842	-

The bank loans are secured as follows:

- Guarantees by EPL Limited

Loans payable

Name	Currency	Principal Amount	Interest rate	Interest balance	Total	Maturity date
DBS Bank Ltd, Singapore	United States Dollars	3,000,000	7.000%	4,842	3,004,842	29/09/2027

24. Trade and other payables

	31.03.2023	31.03.2022
	US\$	US\$
Accruals	5,436	5,493
Other creditors	34	-
	5,470	5,493

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

25. Current tax liabilities

	31.03.2022	31.03.2021
	US\$	US\$
Special contribution for defence	2,194	-
	2,194	-

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

26. 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.

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 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 event did not exist in the reporting period and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 March 2023 as it is considered as a non-adjusting event.

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 [please complete accordingly] in case the crisis becomes prolonged.

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

27. Related party transactions

The following transactions were carried out with related parties:

27.1 Income / expenses from related party transactions

		31.03.2023	31.03.2022
	<u>Nature of transactions</u>	US\$	US\$
EPL Misr for Advances Packaging S.A.E.	Dividend income	-	2,212,693
EPL Misr for Advances Packaging S.A.E.	Rental income	183,900	270,311
Arista Tubes Inc.	Dividend income	147,000	220,427
EPL Misr for Advances Packaging S.A.E.	Interest income	4,000	-

27.2 Receivables from related parties (Note 19)

		31.03.2023	31.03.2022
<u>Name</u>	<u>Nature of transactions</u>	US\$	US\$
EPL Misr for Advances Packaging S.A.E.	Rental income	147,120	-
		<u>147,120</u>	<u>-</u>

27.3 Loans to related parties (Note 18)

		31.03.2023	31.03.2022
		US\$	US\$
EPL Misr for Advances Packaging S.A.E.		3,004,000	-
		<u>3,004,000</u>	<u>-</u>

28. Contingent liabilities

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

29. Commitments

Operating lease

The Company has entered into an operating lease arrangement with its subsidiary company on its property mentioned in note 12 . The lease is non-cancellable in nature and has terms of payment in 5 years on quarterly basis. The Company has not recognized any contingent rent as per terms of agreement considering prevailing market conditions. Future minimum rentals receivable under aforesaid lease arrangement as at 31 March 2023 are as follows :

	31.03.2023	31.03.2022
	US\$	US\$
Within one year	176,220	51,735
Between one and five years	234,960	-
	<u>411,180</u>	<u>51,735</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2023

30. 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.

As explained in note 26 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 and additional sanctions are imposed.

Independent auditor's report on pages 4 to 6

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

DETAILED INCOME STATEMENT Year ended 31 March 2023

	Page	31.03.2023 US\$	31.03.2022 US\$
Revenue			
Rent receivable	34	<u>183,900</u>	270,311
Gross profit		183,900	270,311
Other operating income			
Fair value gains on financial assets at fair value through profit or loss		-	66,847
Dividend income		<u>147,000</u>	2,433,120
		330,900	2,770,278
Operating expenses			
Administration expenses	35	<u>(276,862)</u>	(254,057)
		54,038	2,516,221
Other operating expenses			
Capital issue/reduction costs		-	(1,083)
Fair value losses on financial assets at fair value through profit or loss		<u>(33,095)</u>	-
Operating profit		20,943	2,515,138
Finance income	36	11,313	-
Finance costs	36	(7,355)	(2,359)
Net loss from foreign exchange transactions	36	<u>(642)</u>	(547)
Net profit for the year before tax		<u>24,259</u>	<u>2,512,232</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

RENTAL INCOME
Year ended 31 March 2023

	31.03.2023 US\$	31.03.2022 US\$
Rental income		
Rent receivable	<u>183,900</u>	<u>270,311</u>
	<u>-</u>	<u>-</u>
Rent receivable	<u><u>183,900</u></u>	<u><u>270,311</u></u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

OPERATING EXPENSES
Year ended 31 March 2023

	31.03.2023	31.03.2022
	US\$	US\$
Administration expenses		
Municipality taxes	207	194
Annual levy	345	397
Auditors' remuneration	5,177	5,284
Other professional fees	32,411	9,689
Management fees	1,432	691
Representation fees	5,092	5,603
Depreciation	232,198	232,199
	<u>276,862</u>	<u>254,057</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

FINANCE INCOME/COSTS
Year ended 31 March 2023

	31.03.2023	31.03.2022
	US\$	US\$
Finance income		
Bank interest	7,313	-
Other interest income	4,000	-
	<u>11,313</u>	<u>-</u>
Finance costs		
Interest expense		
Loan interest	4,842	-
Interest on taxes	-	19
Sundry finance expenses		
Bank charges	2,513	2,340
	<u>7,355</u>	<u>2,359</u>
Net loss from foreign exchange transactions		
	31.03.2023	31.03.2022
	US\$	US\$
Unrealised exchange loss	(642)	(547)
	<u>(642)</u>	<u>(547)</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

COMPUTATION OF WEAR AND TEAR ALLOWANCES

Year ended 31 March 2023

Year	%	COST				ANNUAL ALLOWANCES				Net value 31-Mar-23 US\$
		Balance 01-Apr-22 US\$	Additions for the year US\$	Disposals for the year US\$	Balance 31-Mar-23 US\$	Balance 01-Apr-22 US\$	Charge for the year US\$	On disposals US\$	Balance 31-Mar-23 US\$	
2016	20	2,100,000	-	-	2,100,000	2,100,000	-	-	2,100,000	-
		2,100,000	-	-	2,100,000	2,100,000	-	-	2,100,000	-

Plant and machinery

Second hand fully automatic side
seamer

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

COMPUTATION OF DEFENCE CONTRIBUTION Year ended 31 March 2023

	Income US\$	Income €	Rate	Defence € c
INTEREST				
Interest that was not subject to deduction at source	<u>7,313</u>	<u>6,725</u>		
	<u>7,313</u>	<u>6,725</u>	30%	2,017.50
DEFENCE CONTRIBUTION DUE TO IRD				<u>2,017.50</u>

Apportionment to the relevant years of assessment

	2023 €	2022 €
Period 01-Apr-22 - 31/12/2022	-	965
Period 01/01/2023 - 31-Mar-23	<u>1,053</u>	-
	<u>1,053</u>	<u>965</u>
	<u>1,053</u>	<u>965</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

COMPUTATION OF CORPORATION TAX Year ended 31 March 2023

	Page	US\$	US\$
Net profit per income statement	33		24,259
Add:			
Benefit from transactions falling under Article 33		1,992	
Depreciation		232,198	
Fair value losses on financial assets at fair value through profit or loss		33,095	
Unrealised foreign exchange loss		642	
Annual levy		345	
Other non-allowable expenses		<u>13,459</u>	
			<u>281,731</u>
			305,990
Less:			
Dividends received		147,000	
Interest income		<u>7,313</u>	
			<u>(154,313)</u>
Chargeable income for the year			151,677
			€
Converted into € at US\$ 1.087500 = €1			139,473
Apportionment to the relevant years of assessment		2023	2022
		€	€
Period 01-Apr-22 - 31/12/2022		-	104,605
Period 01/01/2023 - 31-Mar-23		<u>34,868</u>	-
		34,868	104,605
Period 01/01/2022 - 31-Mar-22		-	<u>(12,905)</u>
		<u>34,868</u>	91,700
Loss brought forward			<u>(461,306)</u>
Loss carried forward			<u>(369,606)</u>

LAMITUBE TECHNOLOGIES (CYPRUS) LIMITED

CALCULATION OF TAX LOSSES FOR THE FIVE-YEAR PERIOD

Tax year	2017	2018	2019	2020	2021	2022
	€	€	€	€	€	€
Profits/(losses) for the tax year	(42,687)	(179,569)	(90,791)	(87,077)	(61,182)	91,700
Gains Offset (€)	-	-	-	-	-	42,687
- Year						2017
Gains Offset (€)	-	-	-	-	-	49,013
- Year						2018
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						
Gains Offset (€)	-	-	-	-	-	-
- Year						

Net loss carried forward

(369,606)