

Registered number  
12119539

## EUROAFRICA INTERCONNECTOR PLC

Strategic Report of the Directors and Audited Financial Statements

31 December 2019



EUROAFRICA INTERCONNECTOR PLC

JT Accountants Limited  
Chartered Certified Accountants and Registered Auditors  
Flat 1 Sir Matt Busby Way  
Old Trafford  
Manchester  
M16 0QG

THURSDAY

WEE



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A06 04/06/2020 #186  
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COMPANIES HOUSE

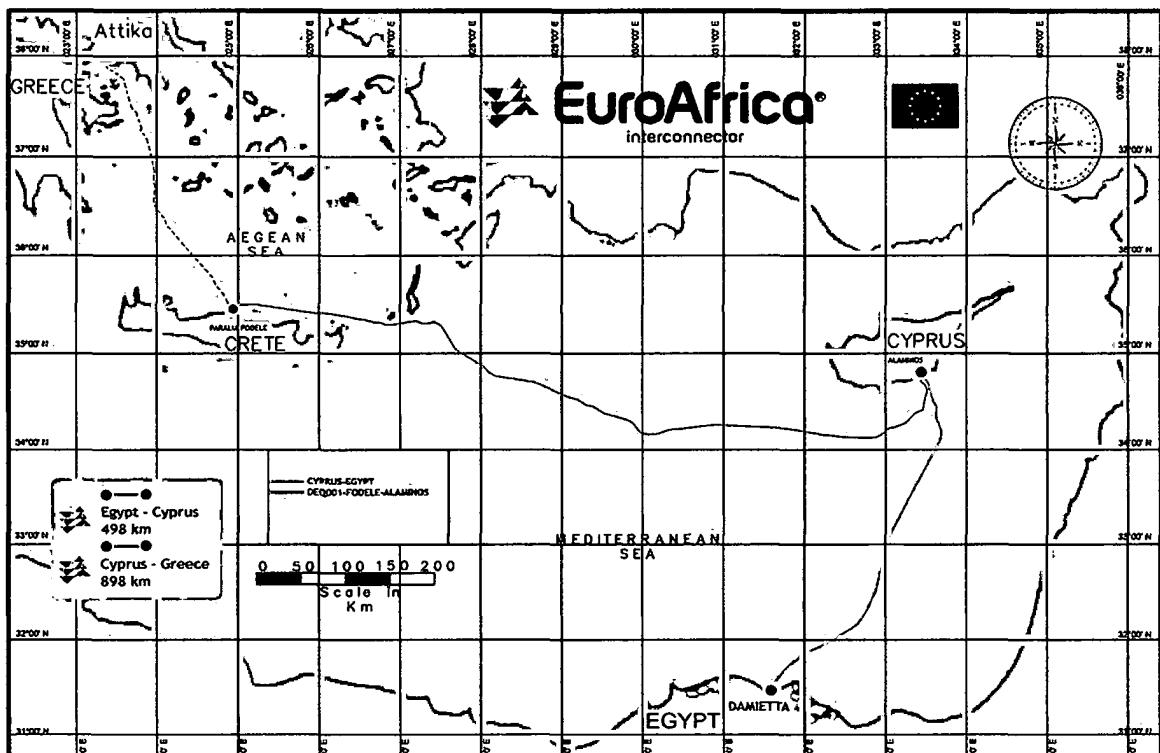


EuroAfrica<sup>®</sup>  
interconnector  
EuroAfrica Interconnector PLC



# EuroAfrica®

interconnector  
EUROAFRICA INTERCONNECTOR PLC



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for the Period 24 July 2019 to 31 December 2019

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Company Information  
for the Period 24 July 2019 to 31 December 2019

**DIRECTORS:**

Mr M Demetriades  
Mr A Ktoridis  
Mr S Sofokleous  
Mr H Vovides

**SECRETARY:**

Quantum Secretarial Services Limited

**REGISTERED OFFICE:**

3rd Floor  
207 Regent Street  
London  
United Kingdom  
W1B 3HH

**REGISTERED NUMBER:**

12119539 (England and Wales)

**ACCOUNTANTS**

JT Accountants  
Flat 1 Sir Matt Busby Way  
Old Trafford  
Manchester  
M16 0QG

**AUDITORS:**

M Georgiades & Associates  
Chartered Certified Accountants &  
Statutory Auditors  
130A Darkes Lane  
Potters Bar  
Hertfordshire  
EN6 1AF

The directors present their strategic report for the period 24 July 2019 to 31 December 2019.

## **REVIEW OF BUSINESS**

The business continued its activities to invest within the Energy & Financial Services sectors with the investment tranches.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks to the business are lack of sufficient investors wanting to subscribe to the EuroAfrica Interconnector plc Class I Shares, from which the company derives capital to invest into pre-Initial Public Offering (IPO). Further risks and uncertainties that have been identified are the performance capabilities of counter parties in the financial eco-system and it is fair to say that the company strategy in general would be considered above average risk, bearing in mind that the principal activity of EuroAfrica Interconnector plc is to invest into EuroAfrica Interconnector.

## **CORPORATE SOCIAL RESPONSIBILITY**

EuroAfrica Interconnector plc aims to be aware at all times of its social and ethical impact on the environment, society in general and its own stakeholders. To this end, EuroAfrica Interconnector plc will continue to review ways it can reduce its carbon footprint and impact on the environment and work in a sustainable manner. The company will treat all employees and stakeholders fairly and ethically, and the company will look to source and partake in Socially Responsible Investments.

## **SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been applied consistently for all the years presented in these financial statements and in stating the financial position of the Company.

### **Finance income**

Finance income includes loan interest income which is recognised based on an accrual basis and foreign exchange differences.

### **Finance expenses**

Interest expense and other borrowing costs are recognised to profit or loss using the effective interest method.

### **Foreign currency translation**

#### **(i) 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.

#### **(ii) 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.

## **REVIEW OF CURRENT POSITION, FUTURE DEVELOPMENTS AND PERFORMANCE**

The following significant developments took place up to 2019 with regards to the timely implementation of the EuroAfrica Interconnector.

On May 23, 2019, a historic framework agreement was signed in Cairo for the construction and commissioning of the EuroAfrica Interconnector which will interconnect the electricity networks of Egypt and Cyprus by the project developer, EuroAfrica Interconnector.

The agreement was signed in the main hall of the Council of Ministers of Egypt by the EuroAfrica Interconnector CEO and Chairperson of the Egyptian Electricity Transmission Company. Also present at the signing ceremony were the Prime Minister of Egypt, the Chairman of the Egyptian Electricity Holding Company, the Minister of Electricity and Renewable Energy, former Cypriot foreign minister and Chairman of the Strategic Council of the EuroAfrica Interconnector, the Cyprus Ambassador to Cairo, senior Egyptian government officials and EuroAfrica Interconnector executives.

The signed agreement follows the conclusion of viability studies conducted by the EuroAfrica Interconnector which showed the benefits of the project, as well as its maturity, allowing it to enter the implementation stage.

The agreement provides for the development of an electricity interconnection with the use of subsea high voltage direct current (HVDC) cables with the capacity to transmit 2,000MW. Furthermore, the agreement provides for the interconnection to be completed in two phases, the first being for the transmission capacity of 1,000MW which will be implemented within the timeframes and assurances provided to the President of Egypt.

In 2019, a 33-year land lease agreement was signed with the government of the Republic of Cyprus for the site at Kofinou, paving the way for the construction of the HVDC converter station in Cyprus.

The agreement was signed on behalf of the Republic of Cyprus, by the Minister of Energy, Trade and Industry, and the Director General of the Ministry, and on behalf of the project developer the CEO and the Project Director. The duration of the agreement is 33 years, with the project developer having the option to renew the lease for a further 66 years. The signing of the agreement follows the administrative decision no.133 published in the Gazette of the Republic of Cyprus, after the relevant unanimous decision of the Council of Ministers. The expropriated property near Kofinou has a total area of 74,088 sq.m.

On October 18, 2019, in his keynote address to the 31st Educational Symposium of the Armed Forces, H.E. the President of the Arab Republic of Egypt reiterated his support to the project: "The Egyptian electricity network will connect with Europe through Cyprus and achieve energy security".

On November 20, 2019, the Planning Bureau of Cyprus gave its approval for the HVDC converter station planning permit at Kofinou. The Planning and Housing Bureau of the Republic of Cyprus has approved the planning permit for which EuroAfrica Interconnector, the official project developer of the project between Cyprus and Egypt, had submitted a relevant application, following the approval of the Environmental Impact Assessment (EIA) from the competent Cyprus authorities which was ratified on December 11, 2017. The planning permit pertains to the construction of the high voltage direct current (HVDC) converter station with a capacity of 2,000 MW, as well as the landing points of the subsea cable that connects the electricity networks of Cyprus, Egypt and the EU.

The first stage of the 1,000MW project will provide to the partner countries significant socio economic benefits which will derive from the decrease of electricity cost by using more efficient methods in power generation, i.e. natural gas, renewable energy sources, and from the reduced cost of replacing old power plants which will be avoided. As an 'electricity highway', the EuroAfrica Interconnector electricity project will transform Egypt into an electricity energy hub from Northern Africa into Europe.

The converter stations of the EuroAfrica Interconnector will be located in Kofinou, Cyprus, and in Damietta, Egypt, interconnected in Phase I by the 1,000MW capacity cable, with a length of 1,396km. The technical consultants are Teshmont Consultants LP, its legal consultant Clifford Chance LLP and its strategic consultant Elia Grid International.

Developments in 2018

Strategic Report  
for the Period 24 July 2019 to 31 December 2019

On June 28, 2018, H.E. the President of the Arab Republic of Egypt held a meeting in Cairo with former foreign minister and Chairman of the Strategic Council of the EuroAfrica Interconnector where they discussed ways to boost bilateral cooperation in the field of electricity interconnection.

During the meeting, also attended by the Minister of Electricity and the EuroAfrica Interconnector CEO, the president hailed the strategic relations between Egypt and Cyprus in all fields and highlighted the implementation of several electricity infrastructure projects in Egypt.

The Chairman of the Strategic Council of the EuroAfrica Interconnector explained the company's plans to implement the 1,000MW project of subsea electricity interconnection between Egypt and the European Union through Cyprus, saying that this will enhance Egypt's role as a regional energy hub in the Eastern Mediterranean. Earlier, the Minister of Electricity received the Full Dossier for the implementation of the EuroAfrica Interconnector between Egypt and Europe via Cyprus.

The Minister of Electricity issued a decision to form a high-level committee to evaluate the Full Dossier in terms of all aspects, including technical, financial and legal, in order for it to be presented to the President of Egypt.

From the Egyptian press: "President: Egypt is a continental bridge for electricity between Africa and Europe", "President Sisi: Egypt qualified to pursue Euro Africa electricity highway via Cyprus", "President: Egypt is a continental bridge for electricity between Africa and Europe", "Egypt, Cyprus discuss boosting mutual cooperation in electricity", "Egypt receives studies on electricity interconnection project with Cyprus", "Egypt about to join European electricity grid through Cyprus", and "Receiving the EuroAfrica interconnector studies on linking with Cyprus is a cornerstone for connecting with Europe".

On September 10, 2018, during the official visit to Cyprus of the Egyptian Parliamentary Delegation, the Speaker of the House of Representatives of the Arab Republic of Egypt had a historic meeting with the EuroAfrica Interconnector CEO. The delegation included: Chairman of the Industry and Energy Committee of the Egyptian Parliament, Chairman of the Foreign Relations Committee, Ambassador of Egypt in Cyprus, and, Chairman of the Economic Affairs Committee. During the meeting, the CEO presented to the delegation the historic map of the EuroAfrica Interconnector.

On November 19, 2018, the historic agreement was signed in Cairo for the electricity interconnection of Egypt with Europe via Cyprus for the implementation, construction and operation of the EuroAfrica Interconnector, the 2000MW subsea high voltage DC cable. The agreement was signed by EuroAfrica Interconnector CEO and the Chairman of Egyptian Electricity Holding Company, in the presence of the Minister of Electricity and Renewable Energy, former Cypriot foreign minister and Chairman of the Strategic Council of the EuroAfrica Interconnector, the Cyprus Ambassador to Cairo, senior Egyptian government officials and EuroAfrica Interconnector executives. The Minister of Electricity and Renewable Energy praised the efforts of the EuroAfrica Interconnector, explaining that the signing for the historic agreement is the start of the interconnection project and will achieve social, economic and political benefits for the countries concerned.

**About us:**

The EuroAfrica Interconnector ([www.euroafrica-interconnector.com](http://www.euroafrica-interconnector.com)) is a landmark energy project designed to transmit electricity with a capacity of 2,000MW from Egypt to Europe, via Cyprus, placing Egypt as a leading energy hub in Africa and the Arab Gulf countries. It creates a reliable Electricity Corridor between Europe, Africa and the Gulf Countries. Phase 1 of the project (1000 MW) interconnects the electricity grids of Egypt, Cyprus and Europe through a 1,396km subsea cable and HVDC converter stations in Kofinou, Cyprus, and Damietta, Egypt, it helps reduce emissions by utilising electricity energy generated from renewable energy sources (RES) and ensures security of supply for Egypt, Cyprus and Europe. The EuroAfrica Interconnector Phase 1 is on schedule for timely implementation and commissioning in December 2023.

**ENVIRONMENTAL POLICY**

The Board acknowledges that environmental protection is one of the company's business responsibilities. It aims for a continuous improvement in the company's environmental performance and to comply with all relevant regulations. Also, the Board does not consider that this line of business has a large adverse impact upon the environment. As a result, the company does not manage its business by reference to any environmental key performance indicators. The company seeks to maintain a high proportion of its records electronically and of the paper it does use, over 80% of its paper consumption is recycled through the use of recycling bags.

**USE OF ESTIMATES AND JUDGMENTS**

The financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These financial statements which have been prepared under the historical cost convention requires from Management the exercise of judgement, to make estimates and assumptions that influence the application of accounting principles and the related amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are deemed to be reasonable based on knowledge available at that time. Actual results may deviate from such estimates.

The estimates and underlying assumptions are revised on a continuous basis. Revisions in accounting estimates are recognised in the period during which the estimate is revised, if the estimate affects only that period, or in the period of the revision and future periods, if the revision affects the present as well as future periods.

**Functional and presentation currency**

The financial statements are presented in Euro (Euro €) which is the functional and presentation currency of the Company.

**ON BEHALF OF THE BOARD:**



Mr A Ktoridis - Director

10 April 2020



## Euroafrica Interconnector Plc

### Report of the Directors

#### for the Period 24 July 2019 to 31 December 2019

The directors present their report with the financial statements of the company for the period 24 July 2019 to 31 December 2019.

### **INCORPORATION**

The company was incorporated on 24 July 2019.

### **PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of is that of a holding company for EuroAfrica Interconnector Ltd, a company registered in Cyprus and acts as a scheduling solution of the energy needs of Cyprus, Greece and Egypt. The research, planning, establishment, construction, management and exploitation of projects which relate to transportation and distribution of electricity.

The company is seeking to float onto a recognised stock exchange.

### **DIVIDENDS**

No dividends will be distributed for the period ended 31 December 2019.

### **RESEARCH AND DEVELOPMENT**

The EuroAfrica Interconnector is a project with a number of new challenging areas of interconnecting through subsea cable and HVDC converter stations Egypt and Cyprus and eventually with Europe.

### **FUTURE DEVELOPMENTS**

The EuroAfrica Interconnector ([www.euroafrica-interconnector.com](http://www.euroafrica-interconnector.com)) is a landmark energy project designed to transmit electricity with a capacity of 2,000MW from Egypt to Europe, via Cyprus, placing the Arab Republic of Egypt as a leading energy hub in Africa and the Arab Gulf countries. It creates a reliable Electricity Corridor between Europe, Africa and the Gulf Countries. Phase 1 of the project (1000 MW) interconnects the electricity grids of Egypt, Cyprus and Europe through a 1,396km subsea cable and HVDC converter stations in Kofinou, Cyprus, and Damietta, Egypt, it helps reduce emissions by utilising electricity energy generated from renewable energy sources (RES) and ensures security of supply for Egypt, Cyprus and Europe. The EuroAfrica Interconnector Phase 1 is on schedule for timely implementation and commissioning in December 2023.

### **EVENTS SINCE THE END OF THE PERIOD**

Information relating to events since the end of the period is given in the notes to the financial statements.

### **DIRECTORS**

The directors who have held office during the period from 24 July 2019 to the date of this report are as follows:

Mr M Demetriades - appointed 24 July 2019

Mr A Ktoridis - appointed 24 July 2019

Mr S Sofokleous - appointed 24 July 2019

Mr H Vovides - appointed 24 July 2019

All the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

### **FINANCIAL INSTRUMENTS**

The company has 1 class of Ordinary Shares. The Shares, which carry voting rights. The Ordinary Shares each carry one vote and a right to dividends.

## **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

a) Covid -19 (coronavirus) has caused a serious shock to the global economy Euroafrica Interconnector Plc is not alone in this. The Bank of England has announced that it could prove sharp and large but should temporary ', however the immediate consequences of this shock have been a great source of uncertainty for many businesses. The management of Euroafrica Interconnector Plc recognised the fast-changing situation and adhere to it. With all of its resources to keep moving the business.

b) Financial risk management objectives and policies of the company including the policy of hedging each major type of foreseeable transaction for which hedge accounting is used; and

c) the exposure of the company to price risk, credit risk, liquidity risk and cash flow risk; unless such information is not material for the assessment of the assets, liabilities, financial position and profit and loss of the company.

## **FINANCIAL INSTRUMENT RISK**

The Project Promoter, EuroAfrica Interconnector "EuroAfrica) is proceeding with a Capital increase involving both equity and bond issues, to finance its share of contribution in the following:

The Electricity Interconnection between Kofinou in Cyprus and Damietta in Egypt.

EuroAfrica Interconnector is in the process of securing commitments from Leading financial Institutions for their participation.

The principal risks to the business are lack of sufficient investors wanting to subscribe to the PLC's Class I Shares, from which the company derives capital to invest into pre-IPO opportunities. Further risks and uncertainties that have been identified are the performance capabilities of counter parties in the financial eco-system and it is fair to say that the company strategy in general would be considered above average risk, bearing in mind that the principal activity of the PLC is to invest into pre-IPO companies.

## **ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payments with the suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the payments by inclusion of the relevant terms in contracts; and
- pay in accordance with company's contractual and other legal obligations.

## **ENGAGEMENT WITH EMPLOYEES**

It is the policy of the Company's to encourage and develop all members of staff to realise their maximum potential. Wherever possible, vacancies are filled from within the Company and adequate opportunities for internal promotion are created. The Board is committed to a systematic training policy and has a comprehensive training and development programme creating the opportunity for employees to maintain and improve their performance and to develop their potential to a maximum level of attainment. In this way, staff will make their best possible contribution to the organisation's success. The Company supports the principle of equal opportunities in employment and opposes all forms of unlawful or unfair discrimination on the grounds of race, age, nationality, religion, ethnic or national origin, sexual orientation, gender or gender reassignment, marital status or disability. It is also the policy of the Company, where possible, to give sympathetic consideration to disabled persons in their application for employment with the Company and to protect the interests of existing members of the staff who are disabled.

Report of the Directors

for the Period 24 July 2019 to 31 December 2019

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, M Georghiades & Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Mr A Ktoridis - Director

10 April 2020

### **Opinion**

We have audited the financial statements of Euroafrica Interconnector Plc (the 'company') for the period ended 31 December 2019 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you, where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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 Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page eight, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

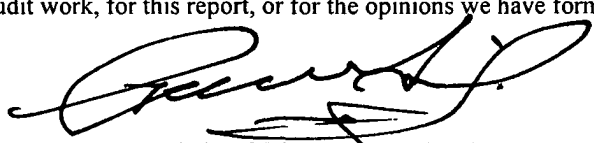
**Auditors' responsibilities for the audit of the financial statements**

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 a Report of the Auditors 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 (UK) 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Marios Georghiades, FCCA, FMAAT (Senior Statutory Auditor)  
for and on behalf of M Georghiades & Associates  
Chartered Certified Accountants &  
Statutory Auditors  
130A Darkes Lane  
Potters Bar  
Hertfordshire  
EN6 1AF

10 April 2020

Euroafrica Interconnector Plc

Statement of Profit or Loss

for the Period 24 July 2019 to 31 December 2019

	Notes	€
<b>CONTINUING OPERATIONS</b>		
Revenue		-
<b>PROFIT BEFORE INCOME TAX</b>		-
Income tax	5	-
<b>PROFIT FOR THE PERIOD</b>		-

Euroafrica Interconnector Plc

Statement of Profit or Loss and Other Comprehensive Income  
for the Period 24 July 2019 to 31 December 2019

	€
<b>PROFIT FOR THE PERIOD</b>	-
<b>OTHER COMPREHENSIVE INCOME</b>	-
<b>TOTAL COMPREHENSIVE INCOME</b>	-
<b>FOR THE PERIOD</b>	-

Statement of Financial Position  
31 December 2019

	Notes	€
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investments	6	<u>340,000,000</u>
<b>TOTAL ASSETS</b>		<u>340,000,000</u>
<b>EQUITY</b>		
<b>SHAREHOLDERS' EQUITY</b>		
Called up share capital	7	<u>340,000,000</u>
<b>TOTAL EQUITY</b>		<u>340,000,000</u>
<b>LIABILITIES</b>		
<b>TOTAL LIABILITIES</b>		<u>-</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>340,000,000</u>

The financial statements were approved by the Board of Directors and authorised for issue on 10 April 2020 and were signed on its behalf by:



Mr A Ktoridis - Director



Euroafrica Interconnector Plc

Statement of Changes in Equity

for the Period 24 July 2019 to 31 December 2019

	Called up share capital €	Retained earnings €	Total equity €
<b>Changes in equity</b>			
Issue of share capital	<u>340,000,000</u>	-	<u>340,000,000</u>
<b>Balance at 31 December 2019</b>	<u><u>340,000,000</u></u>	<u><u>-</u></u>	<u><u>340,000,000</u></u>

Euroafrica Interconnector Plc

Statement of Cash Flows

for the Period 24 July 2019 to 31 December 2019

	Notes	€
<b>Cash flows from operating activities</b>		
Cash generated from operations	1	<u>-</u>
		<u>-</u>
<b>Cash flows from investing activities</b>		
Purchase of fixed asset investments		<u>(340,000,000)</u>
Net cash from investing activities		<u>(340,000,000)</u>
<b>Cash flows from financing activities</b>		
Share issue		<u>340,000,000</u>
Net cash from financing activities		<u>340,000,000</u>
		<u>-</u>
<b>Increase in cash and cash equivalents</b>		-
<b>Cash and cash equivalents at beginning of period</b>		-
		<u>-</u>
<b>Cash and cash equivalents at end of period</b>		<u>-</u>

1. **RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	€
Profit before income tax	_____ -
Cash generated from operations	===== -

**1. COUNTRY OF INCORPORATION**

The Company Euroafrica Interconnector Plc (the "Company") was incorporated in the United Kingdom on 24th July 2019 as a Public Liability Company ("Plc") under the provisions of the Companies Act 2006. Its registered office is situated at 3rd Floor, 207 Regent Street, London, W1B 3HH, United Kingdom.

**2. STATUTORY INFORMATION**

Euroafrica Interconnector Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Euro (€).

**3. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

**Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the statement of financial position date.

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted. The company is tax resident in Cyprus

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

## Euroafrica Interconnector Plc

### Notes to the Financial Statements

for the Period 24 July 2019 to 31 December 2019

#### **Investment in subsidiary**

Investment in subsidiary

Holding 2019

% €

Additions				100%
340,000,000				
At	31	December	2019	100%
340,000,000				

The company has 100% of the shares of EuroAfrica Interconnector Ltd (a limited company registered in Cyprus, with registration number HE348576).

The directors have decided that the investment in subsidiary at the year-end to be measured and valued at the original cost on acquisition. Euroafrica Interconnector Plc

#### **4. EMPLOYEES AND DIRECTORS**

There were no staff costs for the period ended 31 December 2019.

	€
Directors' remuneration	-

#### **5. INCOME TAX**

##### **Analysis of tax expense**

No liability to UK corporation tax arose for the period.

#### **6. INVESTMENTS**

	Shares in group undertakings €
<b>COST</b>	
Additions	<u>340,000,000</u>
At 31 December 2019	<u>340,000,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>340,000,000</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

##### **EuroAfrica Interconnector Ltd**

Registered office: Filippou & Kavalas, Quantum Tower, Agios Dometios, Nicosia, 2363, Cyprus.

Nature of business: Scheduling solutions of the energy needs.

## Euroafrica Interconnector Plc

### Notes to the Financial Statements

for the Period 24 July 2019 to 31 December 2019

Class of shares:	%	
Ordinary	holding	
	100.00	
		31.12.19
		€
Aggregate capital and reserves		<u>340,000,000</u>

The company has 100% of the shares of EuroAfrica Interconnector Ltd (a limited company registered in Cyprus, with registration number HE348576).

The directors have decided that the investment in subsidiary at the year-end to be measured and valued at the original cost on acquisition.

#### 7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	€
60,000	Ordinary shares of Euro€1 each	€1.00	60,000
339,940,000	Ordinary shares of Euro€1 each	€1.00	<u>339,940,000</u>
			<u>340,000,000</u>

The following shares were allotted and fully paid for cash at par during the period:

60,000 Ordinary shares of Euro€1 each share of €1.00 each

339,940,000 Ordinary shares of Euro€1 each share of €1.00 each

#### 8. RESERVES

	Retained earnings
	€
Profit for the period	-
At 31 December 2019	<u>-</u>

#### 9. OTHER FINANCIAL COMMITMENTS

The Company had no capital or other financial commitments as at 31st December 2019.

#### 10. EVENTS AFTER THE REPORTING PERIOD

The company has reviewed the impact of Covid-19 coronavirus on its operations and has taken the appropriate steps as mentioned in the directors' report. The directors have also confirmed that the business will continue to be a "Going Concern" for the foreseeable future and they will continue supporting the company.

The Government in the United Kingdom has also published that it will support all business during these unprecedented pandemic events.

**11. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr A Ktorides.

**12. FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

**13. PRINCIPAL PLACE OF BUSINESS**

The address of the company's principal place of business is: Filippou & Kavalas, Quantum Tower, Agios Dometios, Nicosia, 2363, Cyprus.

**14. LEGAL FORM OF ENTITY AND COUNTRY OF INCORPORATION**

Euroafrica Interconnector Plc is a public limited liability company incorporated in England and Wales, and company registration number 12119539.

**15. PRESENTATION CURRENCY**

The financial statements are presented in Euro €.