

RALAEEL HOLDINGS LIMITED

MANAGEMENT ACCOUNTS
Period from 1 January 2023 to 31 March 2023

RALAEEL HOLDINGS LIMITED

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Independent Auditor's Report on review of interim unaudited financial statements

To the Directors of Ralael Holdings Limited

Introduction

We have reviewed the management accounts of Ralael Holdings Limited (the "Company"), which are presented in pages 2 to 10 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 period from 1 January 2023 to 31 March 2023, and notes to the management accounts, including a summary of significant accounting policies. Management is responsible for the preparation and presentation of these management accounts in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ('IAS34 Interim Financial Reporting'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.



Andri Andreou
Certified Public Accountant and Registered Auditor
for and on behalf of
GAC Auditors Ltd
Certified Public Accountants and Registered Auditors

Larnaka, 20 April 2023

RALAEEL HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Period from 1 January 2023 to 31 March 2023

		1/1/2023- 31/3/2023	2022
	Note	€	€
Loan payable written off	10	-	466,340
Administration expenses		<u>(2,375)</u>	<u>(9,500)</u>
Operating (loss)/profit		(2,375)	456,840
Finance income	3	1,157	3,885
Finance costs	3	<u>(99,323)</u>	<u>(402,067)</u>
(Loss)/profit before taxation		(100,541)	58,658
Taxation	4	<u>-</u>	<u>-</u>
Net (loss)/profit for the period/year		(100,541)	58,658
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive (expense)/income for the year		(100,541)	58,658

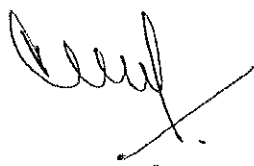
The notes on pages 6 to 10 form an integral part of these management accounts.

RALAEEL HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

31 March 2023

	Note	2023 €	2022 €
ASSETS			
Non-current assets			
Investment	5	<u>319,258</u>	319,258
		<u>319,258</u>	319,258
Current assets			
Refundable taxes	12	9,667	9,667
Cash at bank	7	<u>22,742</u>	1,001
		<u>32,409</u>	10,668
Total assets		<u>351,667</u>	<u>329,926</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	3,725	3,725
Share premium		14,571,600	14,571,600
Accumulated losses		<u>(23,134,991)</u>	<u>(23,034,450)</u>
		<u>(8,559,666)</u>	<u>(8,459,125)</u>
Advances from shareholders	9	<u>675</u>	675
Total equity		<u>(8,558,991)</u>	<u>(8,458,450)</u>
Non-current liabilities			
Borrowings	10	<u>8,858,615</u>	36,245
		<u>8,858,615</u>	36,245
Current liabilities			
Creditors and accruals	11	52,043	57,003
Borrowings	10	-	8,695,128
		<u>52,043</u>	<u>8,752,131</u>
Total liabilities		<u>8,910,658</u>	<u>8,788,376</u>
Total equity and liabilities		<u>351,667</u>	<u>329,926</u>



The notes on pages 6 to 10 form an integral part of these management accounts.

RALAEI HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2023 to 31 March 2023

	Share capital €	Share premium €	Advances from shareholders €	Accumulated losses €	Total €
Balance at 1 January 2022	3.725	14.571.600	675	(23.093.108)	(8.517.108)
Comprehensive income					
Net profit for the year	-	-	-	58.658	58.658
Balance at 31 December 2022	3.725	14.571.600	675	(23.034.450)	(8.458.450)
Balance at 1 January 2023	3.725	14.571.600	675	(23.034.450)	(8.458.450)
Comprehensive expense					
Net loss for the period	-	-	-	(100.541)	(100.541)
Balance at 31 March 2023	3.725	14.571.600	675	(23.134.991)	(8.558.991)

The notes on pages 6 to 10 form an integral part of these management accounts.

RALAEI HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

Period from 1 January 2023 to 31 March 2023

	1/1/2023- 31/3/2023	2022
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(100.541)	58.658
Adjustments for:		
Interest expense	3	395.735
Loan payable written off	-	(466.340)
	(1.393)	(11.947)
Changes in working capital:		
(Decrease)/increase in creditors and accruals	(4.960)	774
Cash used in operations	(6.353)	(11.173)
CASH FLOWS FROM INVESTING ACTIVITIES		
	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	127.242	-
Interest paid	(99.148)	-
Net cash generated from financing activities	28.094	-
Net increase/(decrease) in cash and cash equivalents	21.741	(11.173)
Cash and cash equivalents at beginning of the period/year	1.001	12.174
Cash and cash equivalents at end of the period/year	22.742	1.001

The cash and cash equivalents include the following:

	2023	2022
	€	€
Cash at bank (Note 7)	22.742	1.001
	22.742	1.001

The notes on pages 6 to 10 form an integral part of these management accounts.

RALAEEL HOLDINGS LIMITED

NOTES TO THE MANAGEMENT ACCOUNTS

Period from 1 January 2023 to 31 March 2023

1. Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investment and the provision of finance.

2. Expenses by nature

	1/1/2023- 31/3/2023	2022
	€	€
Auditor's remuneration	-	2,085
Professional fees	2,375	7,065
Annual levy	-	350
Total expenses	2,375	9,500

3. Finance income/(costs)

	1/1/2023- 31/3/2023	2022
	€	€
Exchange profit	1,157	3,885
Finance income	1,157	3,885
Net foreign exchange losses	-	(5,964)
Interest expense	(99,148)	(395,735)
Sundry finance expenses	(175)	(368)
Finance costs	(99,323)	(402,067)
Net finance costs	(98,166)	(398,182)

4. Taxation

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

	1/1/2023- 31/3/2023	2022
	€	€
(Loss)/profit before taxation	(100,541)	58,658
Taxation calculated at the applicable tax rates	(12,568)	7,332
Tax effect of expenses not deductible for taxation purposes	-	51,446
Tax effect of allowances and income not subject to taxation	(58,437)	(58,778)
Tax effect of tax loss for the period/year	71,005	-
Tax charge	-	-

The tax recognised in the profit or loss represents a reasonable estimate of the tax that will arise with respect to the results of the period from 1 January 2023 to 31 March 2023.

RALAEI HOLDINGS LIMITED

NOTES TO THE MANAGEMENT ACCOUNTS

Period from 1 January 2023 to 31 March 2023

5. Investment

	2023	2022
	€	€
Balance at 1 January	<u>319,258</u>	319,258
Balance at 31 March/31 December	<u>319,258</u>	319,258

The details of the Investments are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2023 Holding %	2022 Holding %	2023 €	2022 €
Jindal Saw Italia S.p.A	Italy	Production of iron pipes	19	19	<u>319,258</u>	319,258
					<u>319,258</u>	319,258

In September 2010, the Company acquired 100% of the share capital of Jinal Saw S.p.A. for €10.000.

From 2011 to 2015, the Company made various capital contributions to the subsidiary of Jindal Saw Italia S.p.A. increasing the cost of investment to €36.300.000.

During 2016, the Company made an additional capital contribution to the subsidiary of Jindal Saw Italia S.p.A. of €2.000.000, increasing the cost of investment to €38.300.000.

During 2017, the Company made an additional capital contribution to the subsidiary Jindal Saw Italia S.p.A. of €5.400.000, increasing the cost of investment to €43.700.000.

During 2018, the Company made an additional capital contribution to the subsidiary of Jindal Saw Italia S.p.A. of €3.400.000, increasing the cost of investment to €47.100.000.

The Company's investment in its subsidiary Jindal Saw Italia S.p.A was revalued at 31 December 2018 at the amount of €46.200.000, resulting in a fair value loss of €900.000, which was recognized as an impairment charge through profit or loss.

On 29 January 2019, the Company entered into a share purchase agreement and sold 81% of its shareholding in its subsidiary Jindal Saw Italia S.p.A, to the third party Anbeeco Investments Limited, for a total consideration of €37.422.000, being the same amount as the carrying amount of the investment sold, so there is no profit or loss. The sale proceeds of €37.422.000 have been settled through a set off with the loan principal and interest payable to Anbeeco Investments Limited. On 13 February 2019 the transfer of shares was completed.

As the Company's shareholding in Jindal Saw Italia S.p.A is now 19%, the investment is classified as a financial asset through other comprehensive income.

In 2019 the Company made an additional capital contribution to Jindal Saw Italia S.p.A. of €1.000.000, increasing the cost of the investment to €9.778.000. The Company's financial asset through other comprehensive income was revalued at 31 December 2019 at the amount of €3.840.000, resulting in a fair value loss of €5.938.000, which was recognized as an impairment charge through profit or loss.

In 2020, the Company's financial asset through other comprehensive income was revalued at the amount of €319.258, resulting in a fair value loss of €3.520.742, which was recognized as an impairment charge through profit or loss.

The above investment is stated at fair value.

RALAEI HOLDINGS LIMITED

NOTES TO THE MANAGEMENT ACCOUNTS

Period from 1 January 2023 to 31 March 2023

6. Loans receivable

	2023	2022
	€	€
Balance at 1 January	-	-
Balance at 31 March/31 December	-	-

On 15 March 2015, the Company entered into a loan agreement with its subsidiary Jindal Saw Italia S.p.A. for an amount of €9,000,000 at the rate of twelve month Euribor plus 5,75% per annum. The loan is unsecured and is repayable in a single trench (Bullet) by 31 October 2020.

On 8 February 2017 the Company entered into a loan agreement with its subsidiary Jindal Saw Italia S.p.A for an amount of €1,517,000 at a rate of 12 month plus 5,75% per annum. The loan is unsecured and repayable in a single trench (Bullet) by 31 October 2020.

During October 2019, Jindal Saw Italia S.p.A. renounced the amount of €2,117,000 of the loan receivable to the Company resulting in an impairment €2,117,000 to the profit or loss.

During 2020, Jindal Saw Italia S.p.A. renounced the amount of €2,677,246 of the loan receivable to the Company resulting in an impairment €2,677,246 to the profit or loss.

7. Cash at bank

	2023	2022
	€	€
Cash at bank	22.742	1.001
	22.742	1.001

8. Share capital

	2023	2023	2022	2022
	Number of shares	€	Number of shares	€
Authorised				
Ordinary shares of €1 each	5.000	5.000	5.000	5.000
Issued and fully paid				
Balance at 1 January	3.725	3.725	3.725	3.725
Balance at 31 March/31 December	3.725	3.725	3.725	3.725

9. Advances from shareholders

	2023	2022
	€	€
Balance at 1 January	675	675
Balance at 31 March/31 December	675	675

RALAEEL HOLDINGS LIMITED

NOTES TO THE MANAGEMENT ACCOUNTS

Period from 1 January 2023 to 31 March 2023

10. Borrowings

	2023	2022
	€	€
Current borrowings		
Loan from parent company (Note 13.2)	-	8.695.128
	<u>-</u>	<u>8.695.128</u>
Non-current borrowings		
Loans from third party	64.919	36.245
Loan from parent company (Note 13.2)	8.793.696	-
	<u>8.858.615</u>	<u>36.245</u>
Total	<u>8.858.615</u>	<u>8.731.373</u>

The above loans from Jindal Saw Limited have been replaced with a new loan agreement dated 29 May 2017 which is unsecured and carry interest at a rate of 1 year Euribor plus 5,50% per annum. The year end balance of €8.793.696 (2022: €8.695.128) includes accrued interest of €3.293.696 (2022: €3.195.128). The interest charge for the period was €98.568 (2022: €395.735).

The loans from third party which comprise of several loans, are unsecured, carry interest at the rates of 3month Libor plus 4,65% ; a new loan agreement dated 18 January 2023 of USD\$25,000 carry interest of 5% per annum. All have been settled. The interest charge for the period was €536 (2022: €1.464). During the year 2019, 81% of the Company's shareholding in its investment was sold to the third party and the sale proceeds were settled through a set off with the loan principal and interest (Note 5). During the 2022, the amount of €466.340 was written to the profit and loss due a balance difference with the counterparty.

On 20 March 2023 the Company was granted a loan from a third party, a loan which is unsecured bears interest of 2,5% and is repayable not later than 20 March 2026. As at 31 March 2023 the total amount payable amount to USD\$70.048 (€64.919). The above loan includes accrued interest of USD\$48 (€44). During the period an interest of USD\$48 (€44) was charged.

11. Creditors and accruals

	2023	2022
	€	€
Shareholders' current accounts - credit balances (Note 13.3)	22.924	22.924
Accruals	28.407	33.078
Other creditors	712	1.001
	<u>52.043</u>	<u>57.003</u>

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

12. Refundable taxes

	2023	2022
	€	€
Corporation tax - refundable	(9.667)	(9.667)
	<u>(9.667)</u>	<u>(9.667)</u>

RALAEEL HOLDINGS LIMITED

NOTES TO THE MANAGEMENT ACCOUNTS

Period from 1 January 2023 to 31 March 2023

13. Related party transactions

The following transactions were carried out with related parties:

13.1 Loans to related parties

	2023	2022
	€	€
Jindal Saw Italia S.p.A.	4.794.245	4.794.245
Less provision for doubtful loan	(4.794.245)	(4.794.245)
	-	-

Details of the above loan are presented in Note 6.

13.2 Loans from parent company

	2023	2022
	€	€
Jindal Saw Limited	8.793.696	8.695.128
	8.793.696	8.695.128

Details of the above loan are presented in Note 10.

13.3 Shareholders' current accounts - credit balances (Note 11)

	2023	2022
	€	€
Amount due to shareholder	22.924	22.924
	22.924	22.924

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

13.4 Related party transactions

			1/1/2023- 31/3/2023
	Name of related party	Transaction	€
Interest expense	Jindal Saw Limited	Debit: Finance cost Credit: Jindal Saw Limited-interest payable	98.568

14. Contingent liabilities

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

15. Events after the reporting period

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

RALAEEL HOLDINGS LIMITED

DETAILED INCOME STATEMENT

Period from 1 January 2023 to 31 March 2023

		1/1/2023- 31/3/2023	2022
	Page	€	€
Loan payable written off		-	466.340
Operating expenses			
Administration expenses	12	<u>(2.375)</u>	(9.500)
Operating (loss)/profit		(2.375)	456.840
Finance income	13	1.157	3.885
Finance costs	13	<u>(99.323)</u>	(402.067)
Net (loss)/profit for the period/year before taxation		<u>(100.541)</u>	58.658

RALAEI HOLDINGS LIMITED

ADMINISTRATION EXPENSES

Period from 1 January 2023 to 31 March 2023

	1/1/2023- 31/3/2023	2022
	€	€
Administration expenses		
Annual levy	-	350
Auditor's remuneration	-	2.085
Professional fees	2.375	7.065
	2.375	9.500

RALAEEL HOLDINGS LIMITED

FINANCE INCOME/COSTS

Period from 1 January 2023 to 31 March 2023

	1/1/2023- 31/3/2023	2022
	€	€
Finance income		
Unrealised foreign exchange profit	<u>1.157</u>	<u>3.885</u>
	<u>1.157</u>	<u>3.885</u>
Finance costs		
Interest expense		
Loan interest	99.148	395.735
Sundry finance expenses		
Bank charges	175	368
Net foreign exchange losses		
Unrealised foreign exchange loss	<u>-</u>	<u>5.964</u>
	<u>99.323</u>	<u>402.067</u>

