

POLAR DAY HOLDINGS LIMITED

Consolidated annual report

and financial statements

for the year ended 31 December 2023

Company registration number: 658119

POLAR DAY HOLDINGS LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 2023

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POLAR DAY HOLDINGS LIMITED

DIRECTOR AND OTHER INFORMATION

BOARD OF DIRECTORS

Erik Angelow

SECRETARY AND REGISTERED OFFICE

Patricia Angelow
Block 3, Harcourt Centre,
Harcourt Road,
Dublin 2

AUDITORS

Forvis Mazars
Chartered Accountants & Statutory Audit Firm
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

POLAR DAY HOLDINGS LIMITED

DIRECTORS' REPORT

The director presents the consolidated report and the audited financial statements of Polar Day Holdings Limited for the year ended 31 December 2023. These financial statements reflect the performance of Polar Day Holdings Limited and its subsidiaries ("the group") for the year ended 31 December 2023.

1. PRINCIPAL ACTIVITIES

The Group's principal activities comprise software development, hardware solutions, and ancillary services to mobile operators and enterprises.

2. PRINCIPAL RISKS AND UNCERTAINTIES

The Board has overall responsibility for determining the nature and extent of the principal risks it is willing to take to achieve its strategic objectives, as well as establishing and maintaining the Group's systems of internal control and risk management and reviewing the effectiveness of those systems.

Market and competition: The Group operates in a highly competitive environment and faces competition from a broad range of organisations. Technological developments also have the ability to create new forms of quickly evolving competition.

Financial: The effective management of its financial exposures is central to preserving the Group's profitability. The Group is exposed to financial market risks and may be impacted negatively by fluctuations in foreign exchange and interest rates.

Security: The Group must protect its customer and corporate data and the safety of its people and infrastructure as well as needing to have in place fraud prevention and detection measures.

Intellectual property protection: The Group, in common with other service providers, relies on intellectual property and other proprietary rights, including in respect of programming content, which may not be adequately protected under current laws or which may be subject to unauthorised use.

3. RESULTS AND DIVIDENDS

The results for the year are shown in the statement of comprehensive income on page 11.

No dividends were proposed during the year (2022: Nil).

4. REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Group reported a profit after tax of €11,318,717 for the year ended 31 December 2023 (2022: €1,508,496). This result was driven by a non-recurring gain from the sale of four subsidiaries, 42 Telecom Limited, 42 Telecom UK Limited, 42 Telecom AB and Arcus Technologies Limited.

During 2023, the Group continued to increase their revenues and registered a profit for the year.

POLAR DAY HOLDINGS LIMITED

DIRECTORS' REPORT

5. FINANCIAL KEY PERFORMANCE INDICATORS

We monitor and challenge financial performance at all levels to probe the health and progress of our businesses and promote accountability. As well as profitability we use a range of financial measures at Group level. Collectively they form an integral part of building value for our shareholders on a consistent basis over the long term.

KPIs	AIM	Progress period	
		2023	2022
Revenue generation	Achieve steadily increasing revenue	€42m	€31m
Cash flow	Maintain healthy cash flow	€3.6m	€2.8m
Current ratio	Maintain strong short-term solvency	1.91	1.82
Gearing - interest cover	Maintain a conservative and efficient capital structure, with a relatively low level of gearing	33.7	7.11
Economic profit	Achieve steadily increasing economic profit	€11.3m	€1.51m

6. FINANCIAL RISK MANAGEMENT AND EXPOSURES

The exposures to risk and the way risks arise, together with the Group's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below. The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Credit risk

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of receivables and cash at bank. Receivables are presented net of an allowance for doubtful debts. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Credit risk with respect to receivables is limited due to credit control procedures and the large number of customers comprising the company's debtor base. Cash at bank is placed with reliable financial institutions.

The Group assesses the credit quality of its customers by taking into account their financial standing and past experience. In respect of trade and other receivables the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Currency risk

Foreign currency transactions arise when the Group buys or sells goods whose price is denominated in a foreign currency, or incurs or settles liabilities, denominated in a foreign currency. The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto.

Most of the Group's transactions are carried out in Euro. Exposures to currency exchange rates arise from the Group's overseas sales and purchases of 42 Telecom UK, Haud Systems UK Limited, 42 Telecom AB, Haud Asia Pte. Limited, PT Haud Systems Indonesia which are primarily denominated in GBP, SEK, USD and IDR respectively. Management does not perform an assessment of foreign currency exposure.

POLAR DAY HOLDINGS LIMITED

DIRECTORS' REPORT

7. DIRECTOR AND SECRETARY

The director and secretary of the Company who served during the year were Erik Angelow and Patricia Angelow respectively.

8. DIRECTOR'S AND SECRETARY'S INTERESTS IN SHARES

The director and company secretary who held office at the end of the year and their immediate families had the following interests in the shares of the company at the beginning and end of the financial period:

	Class of shares	31 December 2023 Number	31 December 2022 Number
Erik Angelow	Ordinary shares of €1 each	75	75
Patricia Angelow	Ordinary shares of €1 each	-	-

9. RESEARCH AND DEVELOPMENT

The group engages in research and development activity to develop new and innovative products to respond to the needs of its customers and the marketplace. The investment in research and development expenditure in the year ended 31 December 2023 amounted to €972,837 (2022: €969,058).

10. POLITICAL DONATIONS

There were no political donations made during the year ended 31 December 2023.

11. GROUP COMPANIES

Particulars of the companies within the group required to be disclosed under Section 314(1) of the Companies Act 2014 in respect of group companies are detailed in Note 16 to the financial statements.

12. TRANSACTIONS WITH THE DIRECTOR

There were no contracts of any significance in relation to the business of the group in which the director had any interest, as defined by the Companies Act 2014, at any time during the year ended 31 December 2023.

13. CONTROLLING PARTY

Erik Angelow is the ultimate controlling party of the group.

POLAR DAY HOLDINGS LIMITED

DIRECTORS' REPORT

14. POST BALANCE SHEET EVENTS

There have been no significant events affecting the group since the financial year-end.

15. ACCOUNTING RECORDS

The director is responsible for ensuring that proper books and accounting records, as outlined in Sections 281 to 285 of the Companies Act 2014, are kept by the company. To achieve this, the director has appointed a professionally qualified financial director who reports to the Board and ensures that the requirements of Sections 281 to 285 of the Companies Act 2014 are complied with. These books and accounting records are maintained at the company's registered office at Harcourt Centre, Block 3, Harcourt Road, Dublin 2.

16. STATEMENT ON RELEVANT AUDIT INFORMATION

In the case of each person who is director at the time this report is approved in accordance with Section 332 of the Companies Act 2014:

- (a) So far as the director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- (b) The director has taken all steps that they ought to have taken as director to make themselves aware of any relevant audit information, and to establish that the company's statutory auditors are aware of that information.

17. AUDITORS

Forvis Mazars, Chartered Accountants and Statutory Auditors have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

On behalf of the Director

Erik Angelow
Director

DocuSigned by:
Erik Angelow
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25 March 2026

POLAR DAY HOLDINGS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The director is responsible for preparing the annual report and the financial statements in accordance with applicable Irish law and regulations.

Irish company law requires the director to prepare financial statements for each financial year. Under the law, the director has elected to prepare the financial statements in accordance with Companies Act 2014 and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and as adopted by the EU (“relevant financial reporting framework”). Under the law, the Director must not approve the financial statements unless they are satisfied they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reason for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities and financial position of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the company’s website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Director

DocuSigned by:

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Erik Angelow
Director

25 March 2026

**INDEPENDENT AUDITOR'S REPORT TO THE
MEMBERS OF POLAR DAY HOLDINGS LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Polar Day Holdings Limited and its subsidiaries (“the Group”), which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated and Company Statement of Cash Flows and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and the International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company and the Group as at 31 December 2023 and of the Group’s profit for the year then ended;
- the Group and Company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- the Company and Group financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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

In auditing the financial statements, we have concluded that the director’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s and the Group’s ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

**INDEPENDENT AUDITOR'S REPORT TO THE
MEMBERS OF POLAR DAY HOLDINGS LIMITED**

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report 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.

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 course of 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 2014

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

- the information given in the director's report for the financial period for which the financial statements are prepared is consistent with the financial statements;
- the director's report has been prepared in accordance with applicable legal requirements;
- the accounting records of the Company and the Group were sufficient to permit the financial statements to be readily and properly audited; and
- the financial statements are in agreement with the accounting records.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit of the Company and the Group.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and the Group and its environment obtained in the course of the audit, we have not identified any material misstatements in the director's report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of Sections 305 to 312 of the Act, which relate to disclosures of director's remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Responsibilities of the director for the financial statements

As explained more fully in the director's responsibilities statement, the director is 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 they determine 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 director 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 management either intends to liquidate the Company or the Group or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE
MEMBERS OF POLAR DAY HOLDINGS LIMITED**

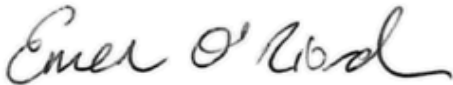
Auditor's responsibilities for the audit of the financial statements

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 (Ireland) 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 IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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 an auditor's report 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.



**Emer O'Riordan
Forvis Mazars
Chartered Accountants
& Registered Auditors
Block 3
Harcourt centre
Harcourt Road
Dublin 2**

25 March 2026

POLAR DAY HOLDINGS LIMITED
Annual Report and Financial Statements – 31 December 2023

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2023

	Notes	Year ended 31 December 2023 €	Year ended 31 December 2022 € Restated
Continuing operations			
Revenue	6	19,144,181	17,654,114
Direct costs		<u>(7,382,807)</u>	<u>(11,115,080)</u>
Gross profit		11,761,374	6,539,034
Administrative expenses		(11,133,008)	(9,257,242)
Other operating income	12	-	425
Finance income	9	-	134,538
Finance costs	10	<u>(291,472)</u>	<u>(328,574)</u>
Profit/(loss) before tax	8	<u>336,894</u>	<u>(2,911,819)</u>
Income tax expense	13	<u>(682,429)</u>	<u>(692,489)</u>
Loss for the year from continued operations		(345,535)	(3,604,308)
Other comprehensive income for the year, net of tax		<u>1,111,707</u>	<u>(172,761)</u>
Profit/(loss) for the year from continued operations		<u>766,172</u>	<u>(3,777,069)</u>
Discontinued operations			
Profit for the year from discontinued operations	7	<u>10,552,545</u>	<u>5,285,565</u>
Total comprehensive income for the year		<u><u>11,318,717</u></u>	<u><u>1,508,496</u></u>

The notes on pages 18 to 41 form an integral part of these financial statements.

POLAR DAY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Year ended 31 December 2023 €	Year ended 31 December 2022 €
ASSETS			
Non-current assets			
Tangible assets	15	629,702	1,042,546
Right of use asset	25	122,718	174,168
Investment in subsidiaries and associate	16	1	-
Intangible assets	14	1,900,958	2,164,523
Financial asset	17	2,637,615	-
Deferred tax asset	21	7,753	-
Other long-term receivables	18	775,519	19,304
		<u>6,074,266</u>	<u>3,400,541</u>
Current assets			
Trade and other receivables	18	15,580,903	11,238,197
Cash and cash equivalents	24	<u>3,624,407</u>	<u>2,759,403</u>
		19,205,310	13,997,600
Total assets		<u>25,279,576</u>	<u>17,398,141</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Called-up issued share capital	22	100	100
Exchange reserve	23	(192,224)	4,177
Fair value reserve	17	(1,962,385)	-
Restructuring reserve	23	300,000	300,000
Retained earnings	23	<u>15,433,101</u>	<u>6,133,328</u>
Total equity		13,578,592	6,437,605
Non-current liabilities			
Deferred tax liability	19	-	138,198
Lease liabilities	19	61,435	150,245
Long-term borrowings	20	<u>1,600,000</u>	<u>3,000,000</u>
		1,661,435	3,288,443
Current liabilities			
Trade and other payables	19	6,716,313	5,916,417
Short-term borrowings	19	3,212,900	1,398,655
Taxation	19	<u>110,336</u>	<u>357,021</u>
		10,039,549	7,672,093
Total equity and liabilities		<u>25,279,576</u>	<u>17,398,141</u>

The notes on pages 18 to 41 form an integral part of these financial statements.

These financial statements were approved by the board of directors, authorised for issue on 25 March 2026 and signed on its behalf by:

Erik Angelow
Director

DocuSigned by:
Erik Angelow
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25 March 2026

POLAR DAY HOLDINGS LIMITED
Annual Report and Financial Statements – 31 December 2023

Company Statement of Financial Position
As at 31 December 2023

	Notes	Year ended 31 December 2023 €	Year ended 31 December 2022 €
ASSETS			
Non-current assets			
Financial assets	16	<u>2</u>	<u>1</u>
Current assets			
Cash and cash equivalents	24	<u>-</u>	<u>-</u>
Total assets		<u><u>2</u></u>	<u><u>1</u></u>
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	19	<u>51,602</u>	<u>30,776</u>
Total liabilities		<u>51,602</u>	<u>30,776</u>
Capital and reserves			
Accumulated losses		(51,700)	(30,875)
Called-up issued share capital presented as equity		<u>100</u>	<u>100</u>
		<u>(51,600)</u>	<u>(30,775)</u>
Total equity and liabilities		<u><u>2</u></u>	<u><u>1</u></u>

The notes on pages 18 to 41 form an integral part of these financial statements.

These financial statements were approved by the board of directors, authorised for issue on 25 March 2026 and signed on its behalf by:

DocuSigned by:

 8CA41184FD62420...
Erik Angelow
Director

25 March 2026

POLAR DAY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital €	Retained earnings €	Translation reserve €	Restructuring reserve €	Fair value reserve €	Total €
At 31 December 2021	100	4,637,837	(115,249)	300,000	-	4,822,688
Profit for the year	-	1,681,257	(172,761)	-	-	1,508,496
Currency translation differences	-	(185,766)	292,187	-	-	106,421
At 31 December 2022	100	6,133,328	4,177	300,000	-	6,437,605
Profit for the year	-	9,299,773	-	-	-	9,299,773
Currency translation differences	-	-	(196,401)	-	-	(196,401)
Unrealised movement in fair value financial asset	-	-	-	-	(1,962,385)	(1,962,385)
At 31 December 2023	100	15,433,101	(192,224)	300,000	(1,962,385)	13,578,592

The notes on pages 18 to 41 form an integral part of these financial statements.

POLAR DAY HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

	Called up share capital presented as equity €	Accumulated losses €	Total €
At 31 December 2021	100	(7,840)	(7,740)
Loss for the year	<u>-</u>	<u>(23,035)</u>	<u>(23,035)</u>
At 31 December 2022	100	(30,875)	(30,775)
Loss for the year	<u>-</u>	<u>(20,825)</u>	<u>(20,825)</u>
At 31 December 2023	<u>100</u>	<u>(51,700)</u>	<u>(51,600)</u>

POLAR DAY HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December 2023 €	Year ended 31 December 2022 € Restated
Cash flows from operating activities			
Profit/(loss) before taxation continuing operations		336,894	(2,911,819)
Profit before taxation discontinued operations		9,655,332	5,348,963
Gain on sale of subsidiaries		(12,357,820)	-
Depreciation and amortisation		1,690,356	1,435,962
Unrealised exchange differences		(196,401)	(233,425)
Fair value movement		(1,645,275)	-
Unrealised movement in fair value		1,962,385	-
Finance costs		291,472	378,553
Investment income		-	(134,552)
Amortisation of bond issue costs		30,000	20,557
Movement in working capital:			
Receivables		(5,060,078)	(5,537,978)
Payables		2,340,537	(2,318,184)
		<u>(2,952,598)</u>	<u>(3,951,923)</u>
Cash generated used in operations		(2,952,598)	(3,951,923)
Finance costs		(291,472)	(378,553)
Investment income		-	134,552
Tax paid		(939,138)	(564,881)
		<u>(4,183,208)</u>	<u>(4,760,805)</u>
Net cash generated used in operating activities		(4,183,208)	(4,760,805)
Cash flows from investing activities			
Purchase of tangible fixed assets		(61,004)	(741,463)
Proceed from sale of subsidiaries		13,000,000	-
Cash and cash equivalents disposed subsidiaries		(919,017)	-
Additions to financial asset		(4,600,000)	-
Payments for intangible fixed assets		(971,767)	(1,582,803)
		<u>6,448,212</u>	<u>(2,324,266)</u>
Net cash generated from/(used in) investing activities		6,448,212	(2,324,266)
Cash flows from financing activities			
Movement in long term loan		(1,400,000)	3,000,000
		<u>(1,400,000)</u>	<u>3,000,000</u>
Net cash used in financing activities		(1,400,000)	3,000,000
Net increase/(decrease) in cash and cash equivalents		865,004	(4,085,071)
Cash and cash equivalents at the beginning of the year		2,759,403	6,844,474
		<u>3,624,407</u>	<u>2,759,403</u>
Cash and cash equivalents at the end of the year continuing operations	24	3,624,407	2,759,403

POLAR DAY HOLDINGS LIMITED

COMPANY STATEMENT OF CASH FLOWS

	Notes	Year ended 31 December 2023 €	Year ended 31 December 2022 €
Cash flows from operating activities			
Loss before taxation		(51,700)	(30,875)
Movement in working capital		<u>51,602</u>	<u>30,776</u>
Net cash used in operating activities		(98)	(99)
Cash flows from financing activities			
Investment in subsidiaries		(2)	(1)
Issue of shares		<u>100</u>	<u>100</u>
Net cash used in financing activities		<u>98</u>	<u>99</u>
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the year		<u><u>-</u></u>	<u><u>-</u></u>

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Polar Day Holdings Limited, (the “group”), is a private limited company. The registered address is Block 3, Harcourt Centre, Harcourt Road, Dublin 2.

The Group's main business is connected with the supply of telecommunication services in the form of short messaging services, multimedia services to the public as well as software development, hardware programs and ancillary services to mobile operators and enterprises.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS”) and interpretations issued by the IFRS Interpretations Committee (“IFRS IC”) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board and as adopted by the EU, and the Companies Act 2014.

3 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis, except where described otherwise in the policies below, and in accordance with International Financial Reporting Standards as adopted by the EU and in accordance with the Companies Act 2014.

The financial statements are presented in Euro which is also the functional currency of the Group and company.

In accordance with Section 304 of the Companies Act 2014 the company is availing of the exemption from presenting its individual statement of comprehensive income to the Annual General Meeting and from filing it with the Registrar of Companies. The company’s loss for the year ended 31 December 2023 amounted to €20,825 (2022: €23,035).

The significant accounting policies adopted are set out below.

a) Basis of consolidation

These consolidated financial statements include all the subsidiary undertakings that are controlled by the Company.

Control is presumed to exist where either more than one half of an undertaking's voting power is controlled, directly or indirectly, by the Company, or the Company is able to govern the financial and operating policies of the undertaking, or, alternatively, determines the removal or appointment of a majority of the undertakings' board of directors while holding a participating interest in the undertaking.

All intra-group balances, transactions, unrealised profits and unrealised losses where costs cannot be recovered, have been eliminated on consolidation.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Plant and equipment

The groups' plant and equipment are classified into the following classes - refurbishing of buildings, plant and machinery, electrical installations, computers and office equipment and furniture and fixtures.

Plant and equipment are initially measured at cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the year of derecognition.

Depreciation

Depreciation is calculated using the straight line method so as to write off the cost or valuation of the cost of the plant and equipment over their estimated useful lives on the following basis;

Plant & machinery	10% per annum
Furnishings & fittings, computer and other equipment	25% per annum
Motor vehicles	25% per annum
Improvements to premises	25% per annum

No depreciation is charged before the asset is brought into use. The depreciation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at each financial position date.

c) Intangible assets

Intangible assets comprise of acquired computer software, internally developed software and website development costs. Intangible assets that are acquired by the Group, which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the income statement as incurred.

Amortisation is recognised on a straight line basis over the estimated useful life of the intangible asset from the date they are available for use. Residual values and useful lives are reviewed at each reporting date. Acquired computer software and website costs are amortised over the useful life of 4 years.

Amortisation has been included with "general and administration expenses" in the statement of comprehensive income.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Intangible assets (continued)

Internally developed software

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements;

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the group intends to and has sufficient resources to complete the project
- the group has the ability to use or sell the software
- the software will generate probable future economic benefits

Directly attributable costs include employees' costs incurred on software development.

Subsequent measurement

Intangible assets are accounted for using the cost model. Any capitalised internally developed software that is not yet complete is not amortised but is subject to impairment testing.

d) Financial instruments

In terms of IFRS 9, the Company applies an ECL model as opposed to an incurred credit loss model under IAS 39. ECLs are determined by means of a three-stage model for impairment (the general approach) based on changes in credit risk since initial recognition.

- Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECLs (12m-ECLs) are recognised. 12m-ECLs are the ECLs that result from default events that are possible within 12 months after the reporting date.
- Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition - unless they have low credit risk at the reporting date - but that do not have objective evidence of impairment. For these assets, lifetime ECLs (LT-ECLs) are recognised. LT-ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.
- Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, LT-ECLs are recognised. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

ECLs are probability-weighted estimates of credit losses with the respective risks of a default occurring as the weights. Credit losses are measured at the present value of all expected cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset. The measurement of ECLs is a function of the probability of default, loss given default (that is, the magnitude of the loss if there is a default) and the exposure at default.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Financial instruments (continued)

The Company measure loss allowances under IFRS 9 according to the three-stage model (the general approach) except for trade receivables and contract assets that do not contain a significant financing component or for which the IFRS 15 practical expedient for contracts that are one year or less is applied, for which the Company applies the simplified approach and recognises LT-ECLs. In accordance with the transitional provisions of IFRS 9, for cash at bank and loans receivable, the Company used reasonable and supportable information that was available without undue cost or effort to determine the credit risk of these financial assets at the date these were initially recognised and compared that to the credit risk at 1 January 2023, taking into consideration the low credit risk exemption and the 30 days past due rebuttable presumption, to the extent applicable. There was no material impact to the loss allowance at 1 January 2023 as a result of the new impairment model in terms of IFRS 9.

e) Impairment of Amounts due from related parties and cash at bank

The Company determined that the amounts due from related parties did not result in a significant increase in credit risk at 31 December 2023, as compared to the risk of default on initial recognition and accordingly that a 12m-ECL applies. On the basis of the expected manner of recovery of these amounts and the possible alternative strategies available to the borrower, the Company concluded that full recovery is expected, taking into consideration the financial position of the respective counterparty and, where applicable, forward-looking information that addresses the future prospects of the industries in which the borrower operates and information that relates to the borrower's core operations. Consequently, the resulting 12m-ECLs in terms of IFRS 9 were not considered to be material for such receivables.

As cash at bank balances are demand deposits, a 1-day probability of default has been applied, based on the respective external ratings of the counterparty banks. Currently the Company holds its cash at bank balances with reputable and investment grade rated banking institutions (31 December: BBB by Standard & Poor's). The estimated 12 month expected credit losses in terms of IFRS 9 were not considered to be material.

f) Impairment of trade receivables

The Group applies the simplified approach for trade receivables and contract assets that do not contain a significant financing component. The Group's trade receivables are of a short-term nature as they are based on credit terms of less than one year and, thus, do not include a significant financing component.

Where the Group does not have reasonable and supportable information that is available without undue cost or effort to measure LT-ECLs on an individual instrument basis and in order to ensure that LT-ECLs are recognised before an asset becomes credit-impaired or an actual default occurs, LT-ECLs on the remaining financial assets are measured on a collective basis.

In such instances and where appropriate, the financial instruments are grouped on the basis of shared credit risk characteristics and the LT-ECLs are estimated using a provision matrix based on actual credit loss experience over past years, which is adjusted to reflect current conditions and the Group's view of economic conditions over the expected lives of the receivables.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Impairment of trade receivables (continued)

(i) Trade receivables

Trade receivables are classified with current assets and are stated at their nominal value unless the effect of discounting is material, in which case trade receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

(ii) Borrowings

Subsequent to initial recognition, interest-bearing borrowings are measured at amortised cost using the effective interest method. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of borrowings is recognised in profit or loss over the term of the borrowings, unless such borrowings are capitalised in accordance with the Group's accounting policy on borrowing costs.

(iii) Trade payables

Trade payables are classified with current liabilities and are stated at their nominal value unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

(iv) Shares issued by the Company

Ordinary shares issued by the Company are classified as equity instruments.

(v) Investment in subsidiary

A subsidiary is an entity that is controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investments in subsidiaries are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Income from the investment is recognised only to the extent of distributions received by the Company from post-acquisition profits. Distributions received in excess of such profits are regarded as a recovery of investment and are recognised as a reduction of the cost of the investment.

All assets are tested for impairment. At each financial position date, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated. For receivables, if there is objective evidence that an impairment loss has been incurred, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced directly.

g) Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Revenue recognition (continued)

The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of goods

Where the contract with the customer has been assessed and has determined that the sale of goods is a distinct performance obligation, revenue is recognised at the point in time when the Group has transferred to the buyer control of the goods, provided that the Group has no significant related obligations or collection uncertainties remaining. Revenues are recognised over time in line with underlying contracts and the satisfaction of performance obligations.

(ii) Rendering of services

Contracts are assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations if the customer can benefit from them either on their own or together with other resources readily available to the customer and they are separately identifiable in the contract. The integrated output nature of many of the services provided by the Group can result in contracts with one performance obligation.

The contract price represents the amount of consideration which the Group expects to receive in exchange for delivering the promised goods or services to the customer. Variable consideration is included in the contract price on the most likely outcome basis but only to the extent that it is highly probable that it will not reverse in the future. The Group's contracts typically do not include significant financing components.

Performance obligations are satisfied, and revenue recognised, as control of goods and services is transferred to the customer. Control can be transferred at a point in time or over time and the Group determines, for each performance obligation, whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if any of the following criteria are satisfied:

- the customer simultaneously receives and consumes the benefits of the Group's performance as it performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for work done; or
- the Group's performance creates or enhances an asset controlled by the customer.

Some of the Group's contracts meet the requirements to satisfy performance obligations and recognise revenue over time. Where the Group satisfies performance obligations over time, revenue is recognised using costs incurred as a proportion of total estimated costs to assess stage of completion, but with the stage of completion and revenue assessed in relation to each performance obligation.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of costs incurred where it is probable that these costs will be recoverable. The stage of completion is also typically reassessed by suitably qualified and experienced Group or third-party personnel to assess the stage of completion of performance obligations.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Revenue recognition (continued)

If a performance obligation is not satisfied over time, then revenue is recognised at the point in time that control is transferred to the customer which is assessed to be at the point of customer acceptance.

(iii) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

(iv) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

h) Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing. Borrowing costs are recognised as an expense in statement of comprehensive income in the year in which they are incurred.

i) Taxation

Current and deferred tax is charged or credited to statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt within equity.

The charge for current tax is based on the taxable result for the year. The taxable result for the year differs from the result as reported in profit or loss because it excludes items which are non assessable or disallowed and it further excludes items that are taxable or deductible in other periods. It is calculated using tax rates that have been enacted or substantively enacted by the financial position date.

Deferred tax is accounted for using the financial position liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, including deferred tax assets for the carry forward of unused tax losses and unused tax credits, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences (or the unused tax losses and unused tax credits) can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the financial position date.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to settle its current tax assets and liabilities on a net basis.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Employee benefits

The Group contributes towards the state pension in accordance with local legislation. The only obligation of the Group is to make the required contributions. Costs are expensed in the period in which they are incurred.

k) Currency translation

The financial statements of the Group and the Company are presented in its functional currency, the EURO, being the currency of the primary economic environment in which the Group and the Company operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt

with in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not retranslated.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in statement of comprehensive income for the year, except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

m) Leases

At the inception of a contract, the Group assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. Lease payments included in the measurement of the lease liability include fixed payments, variable lease payments that depend on an index or a rate and lease payments in an optional renewal period that the Group is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise an extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets separately and lease liabilities within current and Noncurrent liabilities and Creditors: amounts falling due within one year and after more than one year accordingly in the Statement of Consolidated Financial Position.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases less than 12 months or leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

n) Government grants

Government grants are recognised when there is reasonable assurance that all the conditions attaching to them are complied with and the grants will be received. Government grants related to assets are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset. The grant is recognised as income over the life of the depreciable asset by way of a reduced depreciation charge.

o) Restructuring reserve

Business combinations were accounted for using merger accounting principle, which treats the merged companies as if they had been combined throughout the current and comparative accounting periods. Merger accounting principles for these combinations gave rise to a restructuring reserve in the consolidated statement of financial position, being the difference between the consideration paid by the parent company for the acquisition of the shares of the subsidiary and the subsidiary's own share capital, reserves and share premium account.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The amounts recognised in the financial statements are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of financial statements. The judgements made by management in applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements, together with information about the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed herein.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Group. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment. The carrying amount are analysed in notes 14 and 15.

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group'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 the policies and notes to the financial statements.

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). As at 31 December 2023, potential future cash outflows of €nil (2022: €29,750) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New Standards and Interpretations

The following standards and interpretations were effective for the Group for the first time from 1 January 2022:

- Amendments to IAS 37 – Onerous Contracts: Cost of Fulfilling a Contract
- Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IFRS 1 First-time Adoption of International Financial Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture: Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 – Business Combinations: References to Conceptual Framework

The adoption of the above new standards and interpretations did not have a significant impact on the Group's consolidated financial statements.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

New standards amendments and interpretation not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

6. REVENUE	2023	2022
	€	€
		Restated
Revenue from the provision of telecommunications services	<u>19,144,181</u>	<u>17,654,114</u>
7. PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	2023	2022
	€	€
		Restated
Revenue	10,540,334	13,345,023
Gain on sale of subsidiaries	12,357,820	-
Direct costs	(9,482,551)	(5,490,768)
Administrative expenses	(3,762,909)	(2,456,741)
Other operating income	16,884	1,428
Finance costs	<u>(14,246)</u>	<u>(49,979)</u>
Profit from discontinued operations before tax	9,655,332	5,348,963
Tax expense	(10,024)	(63,398)
Other comprehensive income for the year	<u>907,237</u>	<u>-</u>
Gain for the year from discontinued operations	<u>10,552,545</u>	<u>5,285,565</u>
On 13 September 2023, the group disposed 100% of its shareholdings in 42 Telecom Limited, 42 Telecom UK Limited, 42 Telecom AB and Arcus Technologies Limited for a total consideration of €13,000,000. Gain on sale of investment recognised by the group amounts to €12,357,820.		
8. PROFIT BEFORE TAX	2023	2022
	€	€
The profit before tax is stated after charging/(crediting):		
Depreciation	338,683	339,329
Audit fees	56,149	25,560
Amortisation of intangible assets	1,277,202	1,096,632
Advertising and marketing	221,770	150,643
Bad debts	-	1,458
Consultancy fees	235,346	195,460
Exchange rate variance	(13,578)	81,652
Other expenses	1,035,285	850,697
Professional fees	2,337,957	229,138
Rent	153,231	163,614
Salaries	7,939,084	7,077,181
Staff costs	263,640	718,415
Travel expenses	712,593	784,204
Office expenses	<u>249,108</u>	<u>173,337</u>

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENT INCOME	2023	2022
	€	€
Bank interest receivable	-	134,552
	<u>-</u>	<u>134,552</u>
10. FINANCE COSTS	2023	2022
	€	€
Lease expense	-	2,712
Interest expense	291,472	375,841
	<u>291,472</u>	<u>375,841</u>
	<u>291,472</u>	<u>378,553</u>
11. STAFF COSTS	2023	2022
	€	€
Wages and salaries	7,939,084	7,077,181
	<u>7,939,084</u>	<u>7,077,181</u>
The average number of employees employed by the group during the year was 130 (2022: 113).		
12. OTHER OPERATING INCOME	2023	2022
	€	€
Other income	-	1,839
	<u>-</u>	<u>1,839</u>
13. INCOME TAX EXPENSE		
On taxable profit subject to income tax at 12.5%:		
	2023	2022
	€	€
Tax charge for the year		
Current taxation	682,429	687,766
Deferred tax charge	-	68,121
	<u>682,429</u>	<u>68,121</u>
	<u>682,429</u>	<u>755,887</u>
Tax applying the statutory domestic income tax rate and the tax charge for the year are reconciled as follows:		
Profit before tax	336,894	2,437,144
Income tax at 12.5%	4,612	332,122
Non-allowable expenses	546,851	358,685
Deduction of foreign tax not claimed for double taxation	22,837	-
Unclaimed foreign withholding tax	110,050	-
(Over)/ Underprovided tax	(1,921)	65,080
	<u>682,429</u>	<u>755,887</u>
Income tax expense for the year	<u>682,429</u>	<u>755,887</u>

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14. INTANGIBLE ASSETS	Computer software €	Website €	Internally generated software €	Total €
Cost				
At 1 January 2023	2,542,965	56,654	2,891,369	5,490,988
Foreign exchange impact	455,696	-	760,152	1,215,848
Additions	103,505	-	868,262	971,767
Arising on disposal of subsidiaries	<u>(751,949)</u>	<u>(56,654)</u>	<u>(1,861,870)</u>	<u>(2,670,473)</u>
At 31 December 2023	<u>2,350,217</u>	<u>-</u>	<u>2,657,913</u>	<u>5,008,130</u>
Accumulated depreciation				
At 1 January 2023	1,718,333	56,654	1,551,478	3,326,465
Foreign exchange impact	713,564	-	(57,825)	655,739
Amortisation	365,107	-	912,095	1,277,202
Arising on disposal of subsidiaries	<u>(747,857)</u>	<u>(56,654)</u>	<u>(1,347,723)</u>	<u>(2,152,234)</u>
At 31 December 2023	<u>2,049,147</u>	<u>-</u>	<u>1,058,025</u>	<u>3,107,712</u>
Net book value				
At 31 December 2022	<u>824,632</u>	<u>-</u>	<u>1,339,891</u>	<u>2,164,523</u>
At 31 December 2023	<u>301,070</u>	<u>-</u>	<u>1,599,888</u>	<u>1,900,958</u>

The amortisation charge for the year of €1,277,202 (2022: €1,096,633) has been included in administrative expenses.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15. TANGIBLE ASSETS

	Improvements to premises €	Plant and machinery €	Computer & office equipment €	Furnishings and fittings €	Total €
Cost					
At 1 January 2023	19,524	236,940	2,311,085	325,323	2,892,872
Foreign exchange impact	(3,732)	(182,059)	147,058	(25,441)	(64,174)
Additions	-	-	61,004	-	61,004
Disposals	-	-	(7,403)	-	(7,403)
Arising on disposal of subsidiaries	-	(1,877)	(538,294)	(122,627)	(662,798)
	<u>15,792</u>	<u>53,004</u>	<u>1,973,450</u>	<u>177,255</u>	<u>2,219,501</u>
At 31 December 2023					
Accumulated depreciation					
At 1 January 2023	19,524	223,391	1,435,196	172,215	1,850,326
Foreign exchange impact	(3,732)	(183,733)	199,469	(26,112)	(14,108)
Charge for the year	-	4,915	315,882	17,887	338,684
Disposals	-	-	(4,423)	-	(4,423)
Arising on disposal of subsidiaries	-	(1,877)	(482,868)	(95,935)	(580,680)
	<u>15,792</u>	<u>42,696</u>	<u>1,463,256</u>	<u>68,055</u>	<u>1,589,799</u>
At 31 December 2023					
Net book value					
At 31 December 2022	<u>-</u>	<u>13,549</u>	<u>875,889</u>	<u>153,108</u>	<u>1,042,546</u>
At 31 December 2023	<u>-</u>	<u>10,308</u>	<u>510,194</u>	<u>109,200</u>	<u>629,702</u>

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARY AND ASSOCIATES	2023	2022
	€	€
At 1 January	1	1
Additions	1	-
At 31 December	<u>2</u>	<u>1</u>

On 8 May 2023, GVZH Trustees Limited transferred 1 share in Trillian Group Limited to Polar Day Holdings Limited.

The principal financial assets at 31 December 2023 are shown below:

Company	Registered office	Principal activity	Percentage of shares
Trillian Group Limited	Malta	Holding Company	100%
Haud Systems Limited	Malta	Development of software programs and rendering of other ancillary services within the telecommunications industry	100%
Haud Asia PTE Limited	Singapore	Provision of telecommunication software	100%
42 Invest PLC	Malta	Issuing of bonds, commercial paper or other instruments creating or acknowledging indebtedness and to offer or sell the same to the company	100%
Trillian Enterprise Limited	Malta	Provision of administrative, management and support services for other group companies	100%
PT Haud Systems Indonesia	Indonesia	Development of software programs and rendering of other ancillary services within the telecommunications industry	100%
Haud Systems UK Limited	UK	Development of software programs and rendering of other ancillary services within the telecommunications industry	100%
Haud Systems AB	Sweden	Development of software programs and rendering of other ancillary services within the telecommunications industry	100%

On 13 September 2023, the group disposed 100% of its shareholdings in 42 Telecom Limited, 42 Telecom UK Limited, 42 Telecom AB and Arcus Technologies Limited for a total consideration of €13,000,000. Gain on disposal recognised by the group amounts to €12,357,820.

17. FINANCIAL ASSETS	2023	2022
	€	€
At 1 January	-	-
Additions	4,600,000	-
Unrealised movement in fair value	<u>(1,962,385)</u>	-
At 31 December	<u>2,637,615</u>	<u>-</u>

On 13 September 2023, one of the group's subsidiary purchased shares in Mexedia for €4,600,000.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

18. TRADE AND OTHER RECEIVABLES

Amounts falling due within one year	Group 2023 €	Company 2023 €	Group 2022 €	Company 2022 €
Trade receivables	2,589,914	-	4,916,880	-
Prepayments	276,018	-	1,208,216	-
Other receivables	1,633,041	-	2,333,315	-
Other taxation	1,704,978	-	1,165,544	-
Accrued income	9,342,790	-	1,614,242	-
VAT receivable	34,162	-	-	-
	<u>15,580,903</u>	<u>-</u>	<u>11,238,197</u>	<u>-</u>
Amounts falling due after one year	Group 2023 €	Company 2023 €	Group 2022 €	Company 2022 €
Other long term receivables	<u>775,519</u>	<u>-</u>	<u>19,304</u>	<u>-</u>

19. TRADE AND OTHER PAYABLES

Amounts falling due within one year	Group 2023 €	Company 2023 €	Group 2022 €	Company 2022 €
Trade payables	768,040	51,602	2,935,063	30,776
Other taxes	35,415	-	49,565	-
Other creditors	221,151	-	99,649	-
Lease liability	26,945	-	71,871	-
Deferred income	-	-	187,995	-
Accruals	5,664,762	-	2,572,274	-
	<u>6,716,313</u>	<u>51,602</u>	<u>5,916,417</u>	<u>30,776</u>
Amounts falling due after one year	Group 2023 €	Company 2023 €	Group 2022 €	Company 2022 €
Lease liabilities	61,435	-	150,245	-
Long term borrowings	1,600,000	-	3,000,000	-
Deferred tax liability	-	-	138,198	-
	<u>1,661,345</u>	<u>-</u>	<u>3,288,443</u>	<u>-</u>

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

20. BORROWINGS	Date	Rate	2023 €	2022 €
Bond I	7 April 2022 – 7 April 2025	6.25%	3,000,000	3,000,000
Bond II	27 June 2024 – 27 June 2025	6.25%	1,600,000	-
Nominal value of bond in issue			4,600,000	4,200,900
Bond issue cost			(30,000)	(20,557)
Redemption			<u>(3,000,000)</u>	<u>(1,200,900)</u>
Net proceeds			1,570,000	2,979,443
Amortisation of bond issue cost			<u>30,000</u>	<u>20,557</u>
Carrying amount of bond issue			<u>1,600,000</u>	<u>3,000,000</u>

Borrowings relates to bonds in issue by one of the group's subsidiary. The prospectus of the bond issue allows the company to redeem the bonds or any part thereof at any time prior to the statement maturity date during the redemption period.

On 27 June 2023, one of the group's subsidiary issued €1,600,000 6.25% unsecured callable bonds 2024-2025 at a nominal value of €100 per note. The proceeds from the issue of this bond were used by the issuer for the redemption of the outstanding amount of the early redemption of Bond I on 27 October 2023.

The payment of these bonds and interest thereon are guaranteed by the parent company which has bound itself jointly and severally with the company.

21. DEFERRED TAX ASSET

Deferred income taxes are calculated on temporary differences under the asset method using a principal rate of 12.5%.

The movement on the deferred income tax account is as follows:

The Group	At 1 January 2023 €	Movement for the year €	At 31 December 2023 €
Arises on			
Accelerated tax depreciation	(129,868)	137,621	7,753
Unrealised exchange differences	<u>(8,330)</u>	<u>8,330</u>	<u>-</u>
	<u>(138,198)</u>	<u>145,951</u>	<u>7,753</u>

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

22. SHARE CAPITAL	2023	2022
	€	€
Authorised		
100 ordinary shares of €1 each	<u>100</u>	<u>100</u>
Issued and fully paid up		
100 ordinary shares of €1 each	<u>100</u>	<u>100</u>

23. RESERVES

Share premium

The share premium reserve represents the premium on issue of the ordinary shares.

Retained earnings

The retained earnings represent cumulative gains and losses recognised, net of transfers to/from other reserves and dividends paid.

Restructuring reserve

This reserve represents the equity contribution of the parent company upon merger.

Exchange reserve

Unrealised exchange differences arising on the transaction of foreign operations and the statements of changes in equity.

24. CASH AND CASH EQUIVALENTS

Analysis of the balance of cash and cash equivalents as shown in the statement of cash flows:

	Group	Company	Group	Company
	2023	2023	2022	2022
	€	€	€	€
Cash at bank and in hand	<u>3,624,407</u>	<u>-</u>	<u>2,759,403</u>	<u>-</u>

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

25. RIGHT OF USE ASSETS - LEASES

	Total €
Cost	
At 1 January 2023	549,269
Foreign exchange adjustment	(151,208)
Additions	-
	<hr/>
At 31 December 2023	398,061
Accumulated depreciation	
At 1 January 2023	375,101
Foreign exchange adjustment	(174,229)
Charge for impairment	74,471
	<hr/>
At 31 December 2023	275,343
Net book value	
At 31 December 2022	<hr/> <hr/> 174,168
At 31 December 2023	<hr/> <hr/> 122,718

26. FINANCIAL INSTRUMENTS

Fair values of financial assets and financial liabilities

At 31 December 2023 and 2022 the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities. The fair values of non-current financial assets and non-current financial liabilities are not materially different from their carrying amounts.

Financial risk management

The exposures to risk and the way risks arise, together with the Company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below. The objectives, policies and processes for managing financial risks and the methods used to measure such risks are subject to continual improvement and development.

Credit risk

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of receivables and cash at bank. Receivables are presented net of an allowance for doubtful debts. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Credit risk with respect to receivables is limited due to credit control procedures and the large number of customers comprising the company's debtor base. Cash at bank is placed with reliable financial institutions.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (continued)

The Group assesses the credit quality of its customers by taking into account their financial standing and past experience. In respect of trade and other receivables the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Credit risk with respect to trade and other receivables is managed and assessed through the adherence to credit control procedures, which include client acceptance procedures, and is also limited through the number of customers comprising the Group's and Company's debtor base. Outstanding trade receivables are regularly monitored by management.

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL.

Where the Group has reasonable and supportable information that is available without undue cost or effort to measure LT-ECLs on an individual instrument basis, such an individual assessment is carried out. LTECLs on the remaining financial assets are measured on a collective basis, using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The company does not have significant exposure with respect to the amounts recoverable from subsidiaries. The company has applied the IFRS 9 general approach to measure the expected credit losses. There has been no material impact to the impairment loss as a result of the new impairment model in terms of IFRS 9.

Currency risk

Foreign currency transactions arise when the buys or sells goods whose price is denominated in a foreign currency, or incurs or settles liabilities, denominated in a foreign currency. The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto.

Most of the Group's transactions are carried out in Euro. Exposures to currency exchange rates arise from the Group's overseas sales and purchases are primarily denominated in GBP SEK and USD. Management does not perform an assessment of foreign currency exposure.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (continued)

The company is not exposed to foreign currency risk. The Group's exposure to foreign currency risk at 31 December is as follows:

	2023 €	2022 €
Financial assets	48,784	-
Financial liabilities	<u>(84,294)</u>	<u>(10,434)</u>
Net maximum exposure to GBP currency risk	<u>(35,510)</u>	<u>(10,434)</u>
Financial assets	127,973	652
Financial liabilities	<u>-</u>	<u>-</u>
Net maximum exposure to SEK currency risk	<u>127,973</u>	<u>652</u>
Financial assets	9,533,216	235,250
Financial liabilities	<u>(8,143,260)</u>	<u>(471,437)</u>
Net maximum exposure to USD currency risk	<u>1,389,956</u>	<u>(236,187)</u>
Financial assets	2,559,126	1,231,951
Financial liabilities	<u>(565,141)</u>	<u>(8,047)</u>
Net maximum exposure to IDR currency risk	<u>1,993,985</u>	<u>1,223,904</u>

The sensitivity of the net result for the period in regards to the Group's assets and liabilities and the GBP/Euro, SEK/Euro, USD/Euro and IDR/Euro exchange rates is described below.

The following assumes a +/- 2% (2022 - 5%) change in Euro/GBP exchange rate at year end and a +/- 1% (2022 - 8%) change is considered for the Euro/SEK exchange rates. A +/- 4% (2022 – 6%) is being considered for USD and a +/- 3% (2022- 3%) is being considered for IDR. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of the reporting period.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (continued)

If the Euro had strengthened or weakened against the GBP by 2% (2022 – 7%) this would result to net maximum exposure of €710 (In 2022 – net of €2,801). If the Euro had strengthened or weakened against the IDR by 3% (2022 – 1%) this would result to net maximum exposure of €59,820 (In 2022 – net of (€12,363)). If the Euro had strengthened or weakened against the USD by 4% (2022 – 6%) this would result to net maximum exposure of €55,598 (In 2022 – net of €17,692). If the Euro had strengthened or weakened against the SEK by 1% (2022 – 4%) this would result to net maximum exposure of €1,280 (In 2022 – net of €27).

Exposures to foreign exchange rates vary during the year depending on the volume of transactions in foreign currencies. Nonetheless the analysis above is considered to be representative of the Group's exposure to currency risk.

Interest rate risk

The Group is not exposed to interest rate risks.

Liquidity risk

The Group monitors and manages its risk to a shortage of funds by maintaining sufficient cash and by monitoring the availability of raising funds to meet commitments associated with financial instruments and by maintaining adequate banking facilities. The following tables sets out the contractual maturities (representing the contractual undiscounted cash-flows) of financial liabilities.

31 December 2023	Up to one year €	More than one year €	Total €
Trade payables	6,716,313	-	6,716,313
Borrowings	-	1,600,000	1,600,000
	<u>6,716,313</u>	<u>1,600,000</u>	<u>8,316,313</u>
31 December 2022	Up to one year €	More than one year €	Total €
Trade payables	5,916,417	-	5,916,417
Borrowings	-	3,000,000	3,000,000
	<u>5,916,417</u>	<u>3,000,000</u>	<u>8,916,417</u>

6,716,313

The Group's objectives when managing capital are:

- to safeguard its ability to continue as a going concern; and to maximise the return to stakeholders through the optimisation of the debt and equity balance.

The group's capital management objectives are to ensure its ability to continue as a going concern and to provide adequate return to shareholders and benefits to other stakeholders by pricing products and services commensurately with the level of risk and maintaining an optimal capital structure to reduce the cost of capital.

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

26. FINANCIAL INSTRUMENTS (continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, issue new shares or sell assets to reduce debt. The Group monitors the level of debt, which includes trade and other payables less cash and bank balances against total capital on an ongoing basis. The directors consider the Group's gearing level at year end to be appropriate for its business.

The Group's overall strategy remains unchanged from the prior year.

27. RELATED PARTIES

Key management compensation

The compensation (including related payroll taxes) of directors and other members of key management during the financial year was as follows:

	2023	2022
	€	€
Short-term employee benefits		
Emoluments	1,394,909	1,476,081
	<u>1,394,909</u>	<u>1,476,081</u>

For the purposes of the disclosure requirements of IAS 24, the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the company) comprises the Board of Directors which manages the business and affairs of the Group, as set out on page 3.

Directors' remuneration and transactions

Directors' remuneration

Included in staff costs are the following in respect of directors of the company:

	2023	2022
	€	€
Short-term employee benefits		
Aggregate emoluments paid to or receivable by directors in respect of qualifying services.	356,431	407,256
Aggregate amount of contributions paid or payable under retirement benefit schemes in respect of qualifying services	<u>-</u>	<u>-</u>
	<u>356,431</u>	<u>407,256</u>

POLAR DAY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

28. ULTIMATE CONTROLLING PARTY

Erik Angelow is the ultimate controlling party of the group.

29. POST BALANCE SHEET EVENT

There have been no significant events affecting the group since the financial year-end.

30. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on 25 March 2026.