ADMISSION DOCUMENT

(ANNEX 9)

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

MHV

APPLICATION FOR THE ADMISSION OF ORDINARY SHARES TO THE NON-REGULATED MARKET OF THE CYPRUS STOCK EXCHANGE ("CSE") – EMERGING COMPANIES MARKET ("ECM")

WARNING: This document is NOT A PUBLIC OFFER and is not intended to raise capital. The securities of the companies in the ECM are not listed in the regulated markets of the CSE. The Admission Document and the application for admission of the Company's shares apply to the unregulated Emerging Companies Market of the CSE which is considered as Multilateral Trading Facility. The information that is published at the time of listing and after is less than the information published in regulated markets. Potential investors should be aware of the risks on investment in these companies and should decide to invest in them only after careful consideration of this Admission Document and, if possible, independent financial advice should be taken.

NOMINATED ADVISOR

CISCO

The Cyprus Investment and Securities Corporation Limited (CISCO)

The date of this Admission Document is 11 October 2023.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR ATTENTION. If you need any explanations and / or clarifications on this Admission Document you should consult an independent financial advisor who holds a license to provide investment advice by the Cyprus Securities and Exchange Commission if you are taking advice in Cyprus (or other suitably qualified independent financial advisor if you are outside Cyprus).

The investment in shares of the Company is suitable only for:
(i) professional investors;
(ii) persons who have the appropriate financial knowledge,
and, for both (i) and (ii), who have received the appropriate professional financial advice, who are able of taking the risks of their investment in the Company and have the appropriate resources to bear any losses that may arise from their investment. **More specifically, for some important factors to be considered in relation to securities of the Company, refer to Section 7 – *"Risk Factors"*.**

This document is an information document which has been prepared pursuant to the provisions of the Regulatory Decisions of the Council of the CSE on the Stock Exchange Markets and the relevant Annexes for the admission of companies on the Emerging Companies Market and it is not a Prospectus according to the Public Offer and Prospectus Law of 2005, L.114 (I)/2005 (as amended). Therefore, **the Cyprus Securities and Exchange Commission has not examined or approved the contents of this Admission Document.**

MHV Mediterranean Hospitality Venture Plc undertakes full responsibility for the information contained in this Admission Document and certifies that the information contained therein is consistent in all material respects with the facts and contains no omission likely to affect its contents. The Directors of MHV Mediterranean Hospitality Venture Plc, each of whom has taken all reasonable care to ensure that such is the case, collectively and individually accept full responsibility for the accuracy and correctness of the information and data contained in this Admission Document in all material respects and, to the best of their knowledge, ensure that there are no other essential facts, the omission of which would make any statement contained in this document misleading in any material respect.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC
(the "COMPANY", the "ISSUER")
ADMISSION DOCUMENT
APPLICATION FOR THE ADMISSION OF 120.200.720 ORDINARY SHARES OF NOMINAL VALUE €1,00 EACH ON THE NON-REGULATED MARKET OF THE CSE (ECM) THROUGH THE PLACING OF SECURITIES WHICH HAVE ALREADY BEEN ISSUED

Throughout the course of processing the application for admission of the shares of MHV Mediterranean Hospitality Venture Plc to the CSE, the Nominated Advisor is The Cyprus Investment and Securities Corporation Limited (CISCO). CISCO is regulated by the Cyprus Securities and Exchange Commission and is properly licensed by the CSE and its role is to assist a non-regulated market issuer to meet its obligations under the institutional framework governing the operation and participation in an unregulated market. Hence CISCO, as the Nominated Advisor, is solely liable to the Company and the Cyprus Stock Exchange.

This is not a private placement and the Admission Document is addressed only to persons to whom the Admission Document may be lawfully distributed to. Specifically, and in compliance with relevant securities laws of the following countries, the Admission Document is not addressed in any way or form (written or otherwise), directly or indirectly, to or within the United States, Canada, Australia, South Africa or Japan or any other country (the "**Excluded Territories**"), in which according to its laws, the mailing / distribution of this Admission Document is illegal or violates any law, rule or regulation. For this reason, it is prohibited to transmit, distribute, post or otherwise promote copies of this Admission Document and any promotional material and any material related to this Admission Document or other material of any person to or from the Excluded Territories and buy shares from persons of the Excluded Territories.

Copies of this Admission Document will be available free to the public during normal business hours at the offices of the Company, 11 Giannou Kranidioti, Pyrgos, 4534 Limassol, Cyprus, for a period of one month from the date of issue of the Admission Document.

FORWARD LOOKING STATEMENTS

This Admission Document includes statements that are or may constitute “forward-looking statements”. These statements relate to, among other things, statements regarding the Company’s or the management team’s expectations, hopes, beliefs, intentions, plans or strategies regarding its future prospects.

The words “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “might”, “plan”, “possible”, “potential”, “predict”, “project”, “should”, “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Admission Document may include, among others, statements about the Company’s:

- ability to select an appropriate target business or assets;
- expectations around the performance of a prospective target business or businesses investment or assets;
- success in retaining or recruiting, or changes required in, officers, key employees or directors;
- officers and directors allocating their time to other businesses and potentially having conflicts of interest with the Company’s business;
- potential ability to obtain additional financing to complete the Company’s objectives;
- pool of prospective target businesses and assets;
- ability to consummate transactions;
- officers’ and directors’ ability to generate a number of potential investments transactions;
- public securities’ potential liquidity and trading;
- securities lack of a market; or
- financial performance following the listing.

The forward-looking statements contained in this Admission Document are based on the current expectations and beliefs concerning future developments and their potential effects on the Company. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company’s control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under Section 7 - *“Risk Factors”*. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements in this Admission Document. Should one or more of these risks or uncertainties materialise or should any of the assumptions prove to be incorrect, the Group’s actual results could differ materially from that described herein as anticipated, believed, estimated or expected.

All forward-looking statements are based on judgements derived from the information available to the Company as at the date of this Admission Document. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NO LIABILITY FOR STARWOOD COMPANIES

Neither the Company nor any property or development specified in this Admission Document is owned, developed, or managed by any Starwood Company, and no Starwood Company is a party to any offering under or in relation to this Admission Document. The contents of this Admission Document have not been reviewed, negotiated or approved by any Starwood Company. No representation, warranty, assurance or undertaking (express or implied) is or will be made, and no responsibility or liability is or will be accepted by any Starwood Company or any of their respective officers, employees or agents in relation to the adequacy, accuracy, completeness or fairness of the disclosures, information and opinions in this Admission Document, or of any other information (whether written or oral), notice or document supplied or otherwise made available to any interested party or its advisers in connection with this Admission Document and/or the admission of shares in the Company on the ECM. All and any such responsibility and liability is expressly disclaimed to the extent permitted by law. The recipient of this Admission Document acknowledges and agrees that no person has, nor is held out as having, any authority to give any statement, warranty, representation, assurance or undertaking on behalf of any Starwood Company in connection with this Admission Document and/or the admission of shares in the Company on the ECM.

No Starwood Company endorses, recommends or otherwise concurs in the content of this Admission Document, or endorses, approves of or recommends the character or reputation of the Company or its shareholders, directors, officers or other personnel. No Starwood Company gives any guarantee or assurance that any Starwood Company will continue to have any agreement, contract or relationship of any kind with Company after the date of this Admission Document.

No Starwood Company endorses the admission of shares in the Company on the ECM. No Starwood Company shall have any responsibility or liability whatsoever for any obligation of the Company howsoever arising.

For the purposes of this section (**No Liability for Starwood Companies**) the following terms shall have the following meanings:

Affiliate	means any Person that, directly or indirectly, controls, is controlled by, or is under common control with, another Person. For the purpose of this definition "control" means having (i) direct or indirect power to direct or cause the direction of the management or policies of an Entity (including the right to veto policy decisions), whether through the ownership of voting interests, by agreement or otherwise or (ii) a family relationship to an Individual.
Entity	means a partnership, corporation, limited liability company, Governmental Authority, trust, unincorporated organization or any other legal entity of any kind.
Individual	means a natural person, whether acting for himself or herself or in a representative capacity
Governmental Authority	means any international, national, local or other government (including the European Union and European Commission), and any ministry, department, agency, court or other body exercising executive, legislative, judicial, regulatory or administrative functions of government, including any stock exchange, payment card company or industry association and any Entity acting on behalf of, or with the authority of, any of the foregoing.
Person	means an Individual or Entity (as the case may be).
Starwood	means Starwood EAME License and Services Company BVBA, a Belgian company with its registered office at Rue Brederode 2-6, B-IOOO Brussels, Belgium.
Starwood Companies	means Starwood and/or its Affiliates (and "**Starwood Company**" has corresponding meaning).

TABLE OF CONTENTS

DEFINITIONS

The following definitions are applicable throughout the Admission Document unless expressed otherwise:

€	means the Euro
m	means million
Board, Board of Directors, Directors	means the Board of Directors of the Company
Company, Issuer, MHV	means MHV Mediterranean Hospitality Venture Plc (formerly known as Vibrana Holdings Ltd), a public limited liability company, incorporated and existed under the laws of the Republic of Cyprus, with registration number HE 389907, and with its registered office at 16 Kyriacou Matsi Street, Eagle House, 6th Floor, Agioi Omologites, 1082 Nicosia, Cyprus
CSE	means the Cyprus Stock Exchange
ECM	means the Emerging Companies Market, which is the non-regulated Multilateral Trading Facility of the Cyprus Stock Exchange
EMEA	means Europe, Middle East, and Africa
EU	means European Union
F&B	means Food and Beverage
GDPR	means the General Data Protection Regulation
Group	means the Company and its subsidiaries
GHS	means the General Healthcare System of Cyprus
IFRS	means the International Financial Reporting Standards
IPO	means initial public offering
NAV	means net asset value
Nominated Advisor	means The Cyprus Investment and Securities Corporation Limited (CISCO), a limited liability company, incorporated and existing under the laws of the Republic of Cyprus with registration number HE 18558, and authorized as a Cyprus Investment Firm with license number 003/03, registered with the CSE as a Nominated Advisor
Shares, ordinary shares	means the ordinary shares of the Company, listed on the ECM of the CSE
Sqm	means square meter
UK	means the United Kingdom

1. BOARD OF DIRECTORS AND PROFESSIONAL ADVISORS

BOARD OF DIRECTORS	Alon Bar – Non-Executive, Non-Independent Achilleas Dorotheou – Non-Executive, Non-Independent Athanasios Karagiannis – Non-Executive, Non-Independent Aristotelis Karytinos – Non-Executive, Non-Independent Christophoros Papachristophorou – Non-Executive, Non-Independent Alexios Pipilis – Non-Executive, Non-Independent Charalambos Michael – Executive, Non-Independent
NOMINATED ADVISOR	The Cyprus Investment and Securities Corporation Limited (CISCO) 1 Agiou Prokopiou and Posidonos, 1st Floor 2406 Engomi Nicosia, Cyprus
AUDITORS	Ernst & Young Cyprus Limited (EY) Jean Nouvel Tower 6 Stasinou Avenue 1060 Nicosia, Cyprus
LEGAL ADVISERS	Elias Neocleous & Co. LLC Neocleous House, Floors 1-5 195 Arch. Makariou III 3030 Limassol, Cyprus
BANKERS	Bank of Cyprus Public Company Limited 51 Stassinos Street, Ayia Paraskevi, Strovolos 2002 Nicosia, Cyprus Eurobank Cyprus Ltd 28 Spyrou Kyprianou Avenue 1075 Nicosia, Cyprus Eurobank S.A. 8 Othonos 105 57 Athens, Cyprus EFG Bank AG Bleicherwerg 8 8001 Zurich, Switzerland
SECRETARY	Themis Secretarial Services Limited 16 Kyriacou Matsi Street Eagle House, 10th Floor Agioi Omologites 1082 Nicosia, Cyprus
REGISTERED OFFICE	16 Kyriacou Matsi Street Eagle House, 6th Floor Agioi Omologites 1082 Nicosia, Cyprus
COMPANY DETAILS	
CONTACT ADDRESS	11 Giannou Kranidioti, Pyrgos, 4534 Limassol, Cyprus
PHONE	+357 25842900
FAX	+357 25842901
EMAIL ADDRESS	headoffice@mhvgroup.com
WEBSITE	https://www.mhvgroup.com
REGISTRATION NUMBER	HE 389907
DATE OF ESTABLISHMENT	16 October 2018
LEGAL ENTITY IDENTIFIER (LEI)	213800GBYSLICA1WFQ67

The business address of the Members of the Board of Directors of the Company is 11 Giannou Kranidioti, Pyrgos, 4534 Limassol, Cyprus.

2. KEY SHARE CAPITAL INFORMATION

Authorized share capital (number of shares and €)	€120.397.790 divided into 120.397.790 ordinary shares with a nominal value of €1,00 per share
Issued share capital before the issue (number of shares and €)	€120.200.720 divided into 120.200.720 issued and fully paid ordinary shares with a nominal value of €1,00 per share
Issue of new shares	
Private Placement	Not applicable
IPO	Not applicable
Total new shares	Not applicable
Bond Issue	
Private Placement	Not applicable
IPO	Not applicable
Total Bonds	Not applicable
Sale of existing shares (if applicable)	
Private Placement	Not applicable
IPO	Not applicable
Sale of Existing Bonds (if applicable)	
Private Placement	Not applicable
IPO	Not applicable
Total shares to be admitted	120.200.720 ordinary shares
Nominal value of shares to be admitted	€1,00
Offer Price to the public	Not applicable
Funds Raised	Not applicable
Initial admission/ trading price*	€3,219
Market Capitalization based on the initial admission/ trading price	€386.926.117,68
Dividend	The Board of Directors of the Company has not recommended the payment of dividends for the year 2021 and 2022.

* The initial admission/ trading price of the ordinary shares has been set based on the adjusted book value per share as at 30 June 2023 (for more information please refer to Section 3 – *"Company Valuation"*), rounded up to the nearest third decimal.

Notes:

1. The Company will not proceed with the issue of new ordinary shares either through a private placement or through an Initial Public Offering (IPO). It is noted that only the existing issued ordinary shares of the Company will be admitted to trading on the ECM Market of the CSE via the current Admission Document.
2. No shares or bonds will be issued either through a private placement or through an IPO.
3. The Issuer will not list any derivatives of shares.
4. There are no employee participation schemes or any other share option schemes.
5. The Company will not proceed with an IPO.
6. The Company will not proceed with an issue of shares or bonds, therefore there will be no case of over-subscription.

3. COMPANY VALUATION

	30 June 2023 (adjusted)	30 June 2023	31 December 2022	31 December 2021
Book value/ Net Asset Value	€386.869.890	€386.869.890	€422.684.358	€355.677.168
(Loss)/ Profit before tax	(€8.099.315)	(€8.099.315)	(€1.456.645)	€45.044.518
(Loss)/Profit after tax	(€8.365.896)	(€8.365.896)	€344.074	€46.916.167
Book value per ordinary share	€3,219[1]	€370.374,847[2]	€385.394,942[2]	€236.773,844[2]
(Loss)/ Profit before tax per ordinary share	(€0,067)[1]	(€11.249,049)[3]	(€2.023,118)[3]	€62.561,831[3]
(Loss)/ Profit after tax per ordinary share	(€0,070)[1]	(€11.619,301)[4]	€477,881[4]	€65.161,343[4]
Issue Price to Book value per ordinary share (P / BV)[5]	Not applicable	Not applicable	Not applicable	Not applicable
Issue Price to earnings per share (P / E)[5]	Not applicable	Not applicable	Not applicable	Not applicable
Estimated Range of Issue Price[5]	Not applicable	Not applicable	Not applicable	Not applicable
Issue Price to the public[5]	Not applicable	Not applicable	Not applicable	Not applicable

Notes:

1. The initial admission/ trading price has been set based on the adjusted book value per ordinary share as at 30 June 2023, rounded up to the nearest third decimal. The adjusted book value per ordinary share is based on the unaudited interim condensed consolidated financial statements for the period ended 30 June 2023 and has been derived by dividing the total shareholders' equity of €386.869.890 as at 30 June 2023 by the total number of issued ordinary shares as at the date of this Admission Document, i.e., 120.200.720 shares.

   It is noted that the total shareholders' equity of €386.869.890 as at 30 June 2023 has not been adjusted for the redemption of all the redeemable preference shares in issue as of 21 July 2023, because the redemption value of €120.200.000 has been set off against the issue of 120.200.000 shares of nominal value €1,00 per share that took place on the same date. For more details, please refer to Section 4.7.2 – "*Issued Share Capital*".

   Similarly, the adjusted loss before and after tax have been derived by dividing the consolidated loss before and after tax for the period ended 30 June 2023 ((€8.099.315) and (€8.365.896) respectively) by the number of ordinary shares in issue as at the date of this Admission Document, i.e., 120.200.720 shares.

2. The book value per ordinary share is based on the unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2023 and the audited consolidated financial statements for the years ended 31 December 2022 and 31 December 2021. The book value per ordinary share as at 30 June 2023, 31 December 2022 and 31 December 2021 has been derived by dividing the total equity excluding the share capital and share premium relating to redeemable preference shares (30/06/2023: €266.669.890, 31/12/2022: €277.484.358, 31/12/2021: €170.477.168) by the total number of issued ordinary shares as at the said dates (30/06/2023: 720, 31/12/2022: 720, 31/12/2021: 720). The resulting amounts have been rounded up or down to the nearest third decimal.

3. The (loss)/ profit before tax per ordinary share is based on the unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2023 and the audited consolidated financial statements for the years ended 31 December 2022 and 31 December 2021. The (loss)/ profit before tax per ordinary share for the six-month period to 30 June 2023 and as at 31 December 2022 and 31 December 2021 has been derived by dividing the (loss)/ profit before income tax (30/06/2023: (€8.099.315), 31/12/2022: (€1.456.645), 31/12/2021: €45.044.518) by the total number of issued ordinary shares as at the said dates (31/12/2022: 720, 31/12/2021: 720). The resulting amounts have been rounded up or down to the nearest third decimal.

4. The (loss)/profit after tax per ordinary share is based on the unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2023 and the audited consolidated financial statements for

the years ended 31 December 2022 and 31 December 2021. The (loss)/profit after tax per ordinary share for the six-month period to 30 June 2023 and as at 31 December 2022 and 31 December 2021 has been derived by dividing the net (loss)/profit (30/06/2023: (€8.365.896), 31/12/2022: €344.074, 31/12/2021: €46.916.167) by the total number of issued shares as at the said dates (31/12/2022: 720, 31/12/2021: 720). The resulting amounts have been rounded up or down to the nearest third decimal.

5. The Company will not proceed with an issue of new shares either through a private placement or through an IPO, and therefore the notion of issue price is not applicable in this case.

The Company's valuation and determination of the admission price is the sole responsibility of the Board of Directors of the Company.

The Nominated Advisor, taking into consideration the unaudited interim condensed consolidated financial statements of the Company and the adjustments performed on the Group's net asset value as at 30 June 2023, is in agreement with the adjustments performed and confirms that the proposed admission price is reasonable.

4. INFORMATION ABOUT THE ISSUER

4.1 HISTORY

MHV Mediterranean Hospitality Venture Plc was incorporated and domiciled in Cyprus on 16 October 2018 as a private limited liability company, with registration number HE 389907, in accordance with the provisions of the Cyprus Companies Law, Cap. 113, under the initial name Vibrana Holdings Ltd. On 20 January 2021, the Company changed its name from Vibrana Holdings Ltd to MHV Mediterranean Hospitality Venture Limited and on 25 August 2023 the Company was converted from private to public by a resolution of its shareholders dated 21 July 2023. The Company's registered office is at 16 Kyriacou Matsi Street, Eagle House, 6th Floor, Agioi Omologites, 1082 Nicosia, Cyprus.

- On 18 April 2019, the Company acquired 97,33% of the shares of the Cypriot company "The Cyprus Tourism Development Company Limited" ("**CTDC**"), owner of the 5-star hotel "The Landmark Nicosia", in Nicosia, Cyprus.
- On 13 August 2019, the Company exercised its right to acquire the remaining share of CTDC, thus controlling 100% of the share capital of the latter.
- On 8 April 2021, the Company acquired 100% of the share capital of the Greek societe anonyme "Porto Heli Hotel & Marina S.A.", which owns the hotel "Nikki Beach Resort & Spa" in Porto Heli, Greece, by virtue of the share sale and purchase agreement entered into by and between the Company (as purchaser) and SPV 17 S.A. (as seller).
- On 9 April 2021, the Group acquired 100% of the shares of Parklane Hotels Limited, owner of the luxury hotel complex Parklane, a Luxury Collection Resort Spa, Limassol and the Park Tower (which consists of 20 luxury apartments in Limassol) through acquisition of shares and novation of shareholder loans of the previous owners to the Company.
- On 9 April 2021, the Company concluded a conditional share purchase agreement for the acquisition of 100% of the shares of Stromay Holdings Limited, owner of a residential complex in Pyrgos, Limassol, for the housing of staff of Parklane hotel. The shares of Stromay Holdings Limited were transferred on 14 October 2021 to the Company, when construction of the residential complex was completed.
- On 22 April 2021, the Company acquired 100% of the shares of Bartelli Limited which was renamed to MHV IA Limited on 16 December 2021. On 23 December 2022, MHV IA Limited increased its authorised and issued share capital. The Company did not acquire any of the new shares and thus lost control of MHV IA Limited retaining only a holding of 9,48% as at the date of this Admission Document. The remaining investment of the Company in MHV IA Limited has been reclassified to financial assets at fair value through profit or loss.
- On 25 May 2021, the shareholders and the Board of Directors of the Company approved the establishment of a new subsidiary company under the name MHV Lifestyle Limited to operate retail stores (e.g., clothing, footwear, accessories etc.) within the hotel premises of the Company. MHV Lifestyle Limited currently operates the boutique Mare e Sabbia within the Parklane, a Luxury Collection Resort & Spa, in Limassol (the "**Parklane**").
- On 28 June 2021, the Company's Board of Directors approved the establishment of a new 100% subsidiary company in the form of a Greek societe anonyme under the corporate name "MHV Bluekey One Single Member

Societe Anonyme" in order to proceed with its plans for expansion in Greece. The subsidiary company was duly registered with the Greek General Commercial Register (*G.E.MI* as per its Greek initials) on 8 July 2021.

- On 11 November 2021, the Company acquired 100% of the shares of Aphrodite Hills Resort Limited by way of a share for share exchange with the Company's shareholders (i.e., issuance of preference shares to the Company's shareholders in exchange for 100% of the shares in Aphrodite Hills Resort Limited).
- On 31 December 2021, the Greek subsidiary of the Company, MHV Bluekey One Single Member S.A, entered into notary pre-agreements for the acquisition of the hotel Porto Paros, on the island of Paros, Greece. Final contracts with some of the sellers in execution of the aforementioned notary pre-agreements were signed on 28 May 2022 and 17 June 2022, while the final contract with one remaining seller is yet to be signed.
- On 1 September 2022, the Company entered into a sale and purchase agreement for the sale of 50% of its shares in Aphrodite Hills Resort Limited to WRA Limited. The transaction was completed on 24 November 2022.

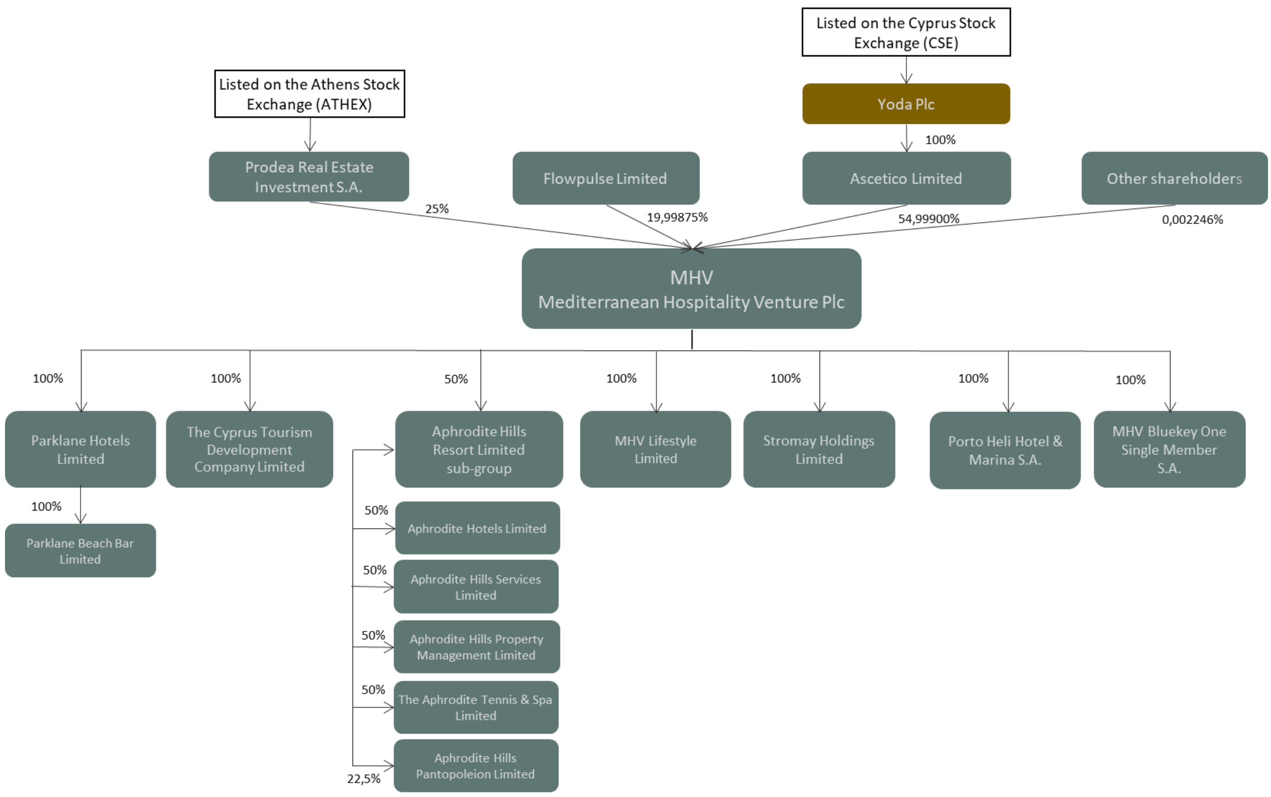
On 21 July 2023, the Board of Directors of the Company decided the admission of the ordinary shares of the Company on the ECM Market of the CSE.

4.2 GROUP STRUCTURE

MHV Mediterranean Hospitality Venture Plc is the parent company of the MHV Group.

The Company, through Ascetico Limited, is part of the Yoda Plc group, which holds investments mainly in the sectors of real estate, technology, shipping and healthcare. The Company is also part of the Prodea Investments group, which holds 25% of the issued share capital of MHV and accounts its shareholding in the Company as investment in joint venture. Flowpulse Limited, a Cypriot private company with its primary activity being the holding of investments, holds c. 20,0% of the Company's issued share capital.

The below diagram and table present the subsidiary companies, joint ventures and other assets of MHV Mediterranean Hospitality Venture Plc, in which the Company has a direct or indirect holding, and which are consolidated (where applicable) in the audited financial statements of the Group, as at the date of this Admission Document.



Name	Country of incorporation/activities	Main activities	Percentage Holding (%)
DIRECT SHAREHOLDINGS			
Parklane Hotels Limited	Cyprus	Hotels, tourism and real estate	100
The Cyprus Tourism Development Company Limited	Cyprus	Hotels, tourism and real estate	100
Aphrodite Hills Resort Limited (sub-group)[1]	Cyprus	Hotels, tourism and real estate	50
MHV Lifestyle Limited	Cyprus	Retail	100
Stromay Holdings Limited	Cyprus	Holding of investments	100
MHV IA Limited (formerly Bartelli Limited)[2]	Cyprus	Holdings & Investments	9,48
Porto Heli Hotel & Marina S.A.	Greece	Hotels, tourism and real estate	100
MHV Bluekey One Single Member S.A.	Greece	Hotels, tourism and real estate	100
INDIRECT SHAREHOLDINGS			
Parklane Beach Bar Limited	Cyprus	Dormant	100
Aphrodite Hotels Limited	Cyprus	Hotels, tourism and real estate	50
Aphrodite Hills Services Limited	Cyprus	Provision of drainage and security services to properties located at Aphrodite Hills	50
Aphrodite Hills Property Management Limited	Cyprus	Provision of repairs, maintenance and rentals to owners/residents	50
The Aphrodite Tennis & Spa Limited	Cyprus	Operation of tennis academy	50
Aphrodite Hills Pantopoleion Limited	Cyprus	Operation of supermarkets at Aphrodite Hills	22,5

The voting rights for all subsidiary companies are the same as their holding, except for MHV IA where MHV does not hold any voting shares.

The below table presents the Company's investment in joint venture, as at the date of this Admission Document.

[1] On 24 November 2022, the Company sold its 50% share in Aphrodite Hills Resort Limited sub-group and the remaining 50% investment was classified as investment in joint ventures based on its fair value as the date of the sale.
[2] The Company's direct shareholding in MHV IA Limited is not consolidated in the Group's financial statements as the Company does not hold any voting shares.

Name	Country of incorporation/activities	Main activities	Percentage Holding (%)
Aphrodite Hills Resort Limited sub - group[3]	Cyprus	Hotels	50

It is noted that, on 7 October 2011, the subsidiary company Parklane Hotels Limited incorporated the corporate relation L'Union Branded Residences, a joint venture with Starom Property Developers Limited, in which it had a 50% participation. The main purpose of the joint venture was the development of high-quality residences in a plot next to the hotel complex. All residential properties have been sold and the project has been completed. The land was jointly owned by Parklane Hotels Limited and Starom Property Developers Limited (2.843 sqm ownership by each party). On 18 September 2023, the Company received a notification from the Department of Registrar of Companies and Intellectual Property that the said joint venture has been struck off with and effective date 5 October 2020. The Company's investment in the joint venture L'Union Branded Residences was c. €9.000 and the impact of the struck off on the Group's financial results is not material as the said joint venture was dormant during 2022 and 2023 to date.

4.3 MAIN ACTIVITIES

The Company invests in, repositions, manages as well as develops prime real estate assets in exclusive locations across the hospitality, residential and commercial sector in Cyprus, Greece and the Mediterranean. The Company is also active in retail activities through its subsidiary MHV Lifestyle Limited.

<u>Hospitality</u>

As at the date of this Admission Document, the Group owns and/or manages the following properties in the hospitality and tourism sector:

- The Landmark hotel in Nicosia through its wholly-owned subsidiary, The Cyprus Tourism Development Company Limited (the "**Landmank Nicosia**"),
- Parklane, a Luxury Collection Resort & Spa, in Limassol, through its subsidiary Parklane Hotels Limited,
- Aphrodite Hills Resort in Paphos (50% shareholding), which includes a 5-star hotel, a golf course, a club, tennis and spa, through an investment in joint venture in Aphrodite Hills Resort Limited sub-group, and
- Nikki Beach hotel in Porto Heli in Argolida, Greece, through its wholly-owned subsidiary, Porto Heli Hotel & Marina S.A.

Moreover, the Company has signed notary pre-agreements and certain contracts for the acquisition of the hotel Porto Paros in Greece, which it plans to renovate and operate under an international hotel flag in the near future.

<u>Real Estate</u>

The Group also owns, develops and/or manages the following real estate properties:

- Park Tower which comprises of 20 luxury flats in Limassol, through its wholly-owned subsidiary, Parklane Hotels Limited,

[3] Aphrodite Hills Resort Limited sub-group comprises of the Aphrodite Hills Resort Limited and its subsidiary and associate companies namely, Aphrodite Hotels Limited, Aphrodite Hills Services Limited, Aphrodite Hills Property Management Limited, The Aphrodite Tennis & Spa Limited and Aphrodite Hills Pantopoleion Limited, which are presented above as direct and indirect shareholdings of the Company.

- Plots and properties in Aphrodite Hills Resort, which the Company, through a joint venture Aphrodite Hills Resort Limited sub-group, develops and sells, together with the provision of management, rental and other related services to owners and residents of Aphrodite Hills Resort,
- A residential complex in Pyrgos, Limassol, used for the housing of staff of the Parklane hotel. The property is owned by the wholly-owned subsidiary, Stromay Holdings Limited, and
- An office and a residential tower being developed at the land plot of the Landmark Nicosia, Cyprus, which are expected to be delivered in March and April 2025 respectively.

4.4 MAJOR CONTRACTS

4.4.1 The Cyprus Tourism Development Company Limited

On 28 December 2021, the Company's subsidiary, The Cyprus Tourism Development Company Limited, and four individuals, as the sellers, entered into a sale & purchase agreement with Panphila Investments Limited, a 100% subsidiary of Prodea Real Estate Investment Company S.A., as buyer, for the sale of an office tower to be developed with 17 floors, two (2) level underground parking and a total gross area of c. 26.400 sqm at the land plot of the Landmark Nicosia, Cyprus.

On 28 January 2022, The Cyprus Tourism Development Company Limited signed a term loan facility agreement for an amount of up to €82,0 million with Alpha Bank S.A. for the construction of an office tower as well as the renovation of the Landmark Nicosia, Cyprus. The subsidiary company has already utilised Tranche A, of €30,5 million and started utilising Tranche B, amounting to €51,5 million, with the first instalment of €10,0 million being drawn down on 8 September 2023. The aforesaid term loan is secured with, among other, (i) first rank mortgage on the land and development securing 130% the facility and hedging, (ii) pledge over CTDC's shares, (iii) assignment of borrower's receivables, (iv) pledge and floating charge over CTDC's assets, (v) undertaking by the Company to cover any funding shortfalls or budget overruns or shortfalls caused by non-delivery of the office tower by way of equity injections, etc.. Moreover, the Company has granted a corporate guarantee to Panphila Investments Limited with respect to CTDC's obligations under the forward sale agreement for the sale of the office tower in Landmark Nicosia to the aforesaid entity.

On 19 April 2023, CTDC entered a contract with K. Athienitis Contractors Limited for the construction of an office and a residential tower, including an underground parking, at the land plot of the Landmark Nicosia, Cyprus pursuant to a letter of award dated 6th September 2022, with a contract value of €56,4 million. Delivery of the two towers is due in March and April 2025 respectively.

On 28 April 2023, CTDC signed a letter of award of works with Depcon Construction Limited for the renovation of Landmark Nicosia for a lump-sum amount of €10,5 million. As at the date of this Admission Document, a formal final works contract with the contractor is yet to be signed.

On 30 August 2023, CTDC signed a franchise agreement and related ancillary agreements with Global Hospitality Licensing S.a.r.l. for the addition of Landmark Nicosia, upon opening, to the Marriott "Autograph Collection".

4.4.2 Parklane Hotels Limited

On 7 July 2021, Parklane Hotels Limited signed a term loan facility agreement with Eurobank Cyprus Limited and Eurobank Private Bank Luxembourg S.A. for an amount of €70 million in two tranches (Tranche A: €50,0 million, Tranche B: €20,0 million) towards the partial refinancing of the acquisition cost by the Company of 100% of the shares in Parklane Hotels Limited. At the date of the Admission Document, Tranche B had been fully repaid and Tranche A is serviced as per the amortisation schedule. The loan facility is secured by first rank mortgage and floating charge on Parklane Hotels Limited assets, pledge over the Company's shares in Parklane Hotels Limited, first rank charge over the bank accounts of Parklane Hotels Limited and assignment of Parklane Hotels Limited receivables and insurance policies. In addition, MHV underwrites a bank guarantee issued by Eurobank Cyprus Limited in favour of the seller of the shares in Parklane Hotels Limited with respect to the outstanding deferred consideration under the sale and purchase agreement for the acquisition of Parklane Hotels Limited. As at the date of this Admission Document, the deferred consideration amounts to €10,0m and is payable by 24 December 2023.

The Parklane is currently licensed to operate under the "Luxury Collection" brand by way of a license issued by Starwood EAME License and Services Company BVBA which is an affiliate of Marriott International Inc dated 4th July 2016.

On 4 April 2022, Parklane Hotels Limited entered into an agreement with Wisy Management Ltd for the operation of the branded restaurant Nammos within the premises of the Parklane hotel. The restaurant opened its doors in June 2022.

On 24 May 2022, Parklane Hotels Limited entered into an operating agreement with Azur Limited for the operation of the branded restaurant La Petite Maison (LPM) within the premises of the Parklane hotel. The restaurant opened its doors in June 2022.

Parklane Hotel Limited maintains various contracts with a number of tour operators which are renewed annually, offering contracting rates to the latter for their bookings with Parklane hotel. These contracts do not include any booking commitments.

Parklane Hotel Limited has signed certain lease agreements with a number of shopkeepers for the rental of retail space within the premises of Parklane.

4.4.3 Aphrodite Hills Hotel & Resort Limited

Aphrodite Hills Hotel & Resort Limited has entered into a senior credit facility agreement with Bank of Cyprus Public Company Limited, originally dated 27 October 2009 and subsequently amended and restated in a series of amendments with the latest one dated 24 November 2022 for an amount of up to €55,0 million. The facility is allocated against the hotel and real estate operations of the company and it is secured by, among other, a pledge over the shares of Aphrodite Hills Hotel & Resort Limited, its subsidiaries and of a related company, fixed and floating charges provided by Aphrodite Hills Hotel & Resort Limited, its subsidiaries and of a related company and mortgages over the interest in the property and land of the aforesaid related party.

On 10 November 2014, Aphrodite Hills Hotel & Resort Limited and its subsidiary Aphrodite Hotels Limited signed a hotel management agreement with Atlantica Hotel Management Limited. The agreement has been renewed and is still in effect as at the date of this Admission Document. Atlantica Hotel Management Limited has a strategic partnership with TUI UK, which is the main tour operator directing guests to Aphrodite Hills Resort.

On 17 May 2021, Aphrodite Hills Resort Limited entered a contract with Multipro Limited for the construction of Dionysus Greens village within the premises of Aphrodite Hills Resort Limited, followed by a supplementary agreement on 20 July 2022, with ultimate completion date of the project on 20th October 2023.

4.4.4 Porto Heli Hotel & Marina S.A.

On 7 June 2010, Porto Heli Hotel & Marina S.A. signed an operating agreement with Nikki Beach Emea Hotels & Resorts Limited, amended and restated on 17 April 2017, by virtue of which the owner is granted the exclusive right, discretion and duty to operate the hotel under the Nikki Beach brand and in accordance with the operating standards of Nikki Beach. The agreement was subsequently extended and currently expires on 30 November 2023.

On 30 January 2019, Porto Heli Hotel & Marina S.A. signed an operating agreement with SWOT Hotel & Tourism S.A. ("**SWOT**"), along with the related addenda dated 01.12.2020, 15.05.2020 and amendment agreement dated 21.04.2020, governed by Greek law, by virtue of which SWOT undertakes the operational management of the Hotel throughout the term of the agreement, which expires on 31 December 2023.

On 20 March 2020, Porto Heli Hotel & Marina S.A. issued a bond loan programme, together with the related subscription agreement, for the amount of €4.250.000 with Piraeus Bank as the bondholder, for the refinancing of the previous shareholder's own participation as well as operating expenses (operational recovery) of the hotel. To secure the loan, a mortgage has been registered on Porto Heli Hotel & Marina S.A. property, the insurance policy has been assigned, while the deposit accounts and the shares held by the Company in Porto Heli Hotel & Marina S.A. have been pledged.

4.5 LEGAL OR ARBITRATION PROCEEDINGS OR INTERRUPTIONS IN THE ISSUER'S BUSINESS

The Company's subsidiary MHV Bluekey One Single Member S.A. has purchased part of the Porto Paros hotel in Paros Greece, pursuant to the contracts dated 28 May 2022 and 17 June 2022. There are notary agreements dated 31 December 2021 in place to acquire the 100% share of this hotel and the relevant purchase price has already been prepaid to the sellers. These are currently shown in prepayments in the subsidiary's and the Company's consolidated financial statements until the procedures are completed and the legal title deeds of the Porto Paros hotel are transferred to the subsidiary. There is currently a litigation process between the subsidiary and one of the sellers due to the failure of the latter to sign a final contract for the transfer of the properties to the subsidiary, in breach of the agreements dated 31 December 2021. During September 2023, following a successful appeal, the Athens court has ruled in MHV Bluekey One Single Member S.A favour granting possession of the disputed plots to the aforesaid subsidiary. The Company believes that the outcome of the legal proceedings will be in its favour and the transfer to its subsidiary of the remaining title deeds for the entire acquisition of the Porto Paros hotel will eventually take place.

In addition, a number of labour dispute cases dating back to 2018 and 2019 have been brought in front of court against the subsidiary company, CTDC. In case the court outcome is against CTDC, it is estimated that the total liability for all cases will not exceed €180.000.

Moreover, there are currently two court cases against Parklane Hotels Limited in relation to certain terms of two lease agreements at Park Tower. Should the court outcome not be favourable for the said subsidiary company, it is estimated that the total liability for both cases will not exceed €380.000.

Except for the above, none of the Issuer or any other subsidiary of the Company is or has been involved in any legal or arbitration proceedings during the twelve months preceding the date of this Admission Document which may have or have had in the recent past material adverse effects on the financial position or profitability of the Issuer or the Group.

4.6 BOARD OF DIRECTORS AND OTHER RELATED INFORMATION

Members and Capacity	Curriculum Vitae
Alon Bar – Non-Executive, Non-Independent	Mr. Alon Bar was born in Israel on 1 May 1980. Mr. Bar holds a BA in Computer Science (Cum Laude) from the Interdisciplinary Center (IDC) Israel with a major in Entrepreneurship (Sam Zell Program). He also earned a joint Executive MBA from The Kellogg School of Management at Northwestern University and Tel Aviv University. Mr. Bar also completed INSEAD's Advanced Management Program (AMP). Mr. Bar has 16 years of experience in the financial services and real estate investment industries. He has solid work experience in corporate finance, structuring and capital markets and has held executive positions in family offices and private equity funds. Mr. Bar is the Chief Executive Officer and the Interim Chief Investment Officer of YODA PLC.
Achilleas Dorotheou – Non-Executive, Non-Independent	Mr. Achilleas Dorotheou was born in Limassol on 11 May 1965. He is a graduate of Hotel Institute Montreux, a holder of master's degree in Hospitality Management from Birmingham University and a Master's in Business Administration from IMD Business School, the University of Lausanne. Mr. Dorotheou recently (Spring 2020) attended at the Cornell University a professional development program for digital transformation and leadership, and he holds the professional certification of Certified Hotel Administrator from the American Hotel and Lodging Association. Mr. Dorotheou has a 30-year career in the hospitality industry holding executive General Director and board member positions in Cyprus, Greece, Switzerland and Germany. Previously, he held General Manager and Chief Executive Officer positions in luxury hotel organizations such as Amathus Hotels, Ikos Resorts and

Members and Capacity	Curriculum Vitae
	Costa Navarino resort. Mr. Dorotheou is the Head of Hospitality and Development of YODA PLC.
Athanasios Karagiannis – Non-Executive, Non-Independent	Mr. Athanasios Karagiannis is the Chief Investment Officer ("**CIO**"), member of the Board of Directors and member of the Investment Committee of Prodea Real Estate Investment Company S.A. Mr. Karagiannis assumed the role of Prodea's CIO in March 2020, after serving 6 years at Invel Real Estate, Prodea's majority shareholder. Before Invel, he worked at Deutsche Bank Asset Management in London for more than 6 years. During his career, Mr. Karagiannis took part in a number of real estate acquisitions and asset management throughout Europe, mainly focusing on the markets of the United Kingdom, Holland, Italy, Greece and Cyprus, while under his role as Prodea's CIO he is responsible for the management and expansion of the company's €2,9 billion portfolio focusing on Greece, Cyprus and Italy. Mr. Karagiannis holds a Bachelor's Degree (B.Sc.) in Economics from the University of Athens, an MBA Degree from the Athens University of Economics and Business and a Master's Degree (M.Sc.) in Corporate Real Estate Strategy from Cass Business School in London.
Aristotelis Karytinos – Non-Executive, Non-Independent	Dr. Aristotelis Karytinos is the Chief Executive Officer ("**CEO**") of Prodea Real Estate Investment Company S.A., the leading real estate investment company in Greece with assets of €2,9 billion. He possesses long standing experience in investment and banking through key positions both in the public and private sectors. Prior to his current position, from 2008 to 2013 he was the General Manager – Real Estate of the National Bank of Greece Group. From 1996 to 2008 he held senior positions within Eurobank EFG Group, including Head of Group Real Estate, Head of Mortgage Lending and CEO of Eurobank Properties REIC (later known as Grivalia REIC), a company which he led into a successful Initial Public Offering (IPO) in 2006 and a subsequent rights issue in 2007, raising in total approximately €450 million. Aristotelis Karytinos holds a Doctorate (PhD) in Finance from the University of Warwick, United Kingdom and is a Fellow of Royal Institute of Chartered Surveyors (FRICS) and a Recognised European Valuer (REV).
Christophoros Papachristophorou – Non-Executive, Non-Independent	Christophoros Papachristophorou is the founder and managing partner of Invel Real Estate. Prior to Invel, Christophoros was a Managing Director and Global Head of RREEF Opportunistic Investments (ROI), the division of RREEF Real Estate that specialises in high yield real estate investment strategies. Previously, he was the Co-CEO for RREEF Alternatives in Europe, Middle East and Northern Africa and was instrumental in consolidating RREEF's broader alternatives platform in the Europe, Middle East, and Africa (EMEA) region. While at RREEF, Christophoros completed and / or restructured over 60 investments totalling in excess of $20 billion of gross asset value. Amongst others, he led the corporate restructuring, refinancing and repositioning of the French department store Le Printemps; the acquisition, repositioning and subsequent sale of La Rinascente, Italy's leading department store; as well as the acquisition, subsequent restructuring and sale of Newreal S.p.A, then the commercial real estate subsidiary of Enel, Italy's largest power company.
Alexios Pipilis – Non-Executive, Non-Independent	Mr. Alexios Pipilis is the Head of Hospitality & Business Development for Prodea Real Estate Investment Company S.A. Alexios joined Prodea Real Estate Investment Company S.A. in April 2023. Prior to that, Alexios was a Partner and Head of Acquisitions for Greece and Cyprus at Invel Real Estate after spending 7 years with the Commercial Real Estate team at Deutsche Bank. During his time at Deutsche Bank, Alexios spent several years within the underwriting, origination and capital markets distribution teams. Alexios holds a Meng in Civil and Environmental Engineering from University College London and an M.Sc. in Finance from Imperial College London.

Members and Capacity	Curriculum Vitae
Charalambos Michael – Executive, Non-Independent	Mr. Charalambos Michael is the CEO of MHV Mediterranean Hospitality Venture Plc. His extensive experience in the hospitality and tourism industry includes various management roles within Hilton, while he also worked as Managing Director of Parklane, a Luxury Collection Resort & Spa, being a franchised property of Marriott International, and previously as the Managing Director of The Landmark Nicosia. Today, Mr. Michael serves on the Board of Directors of numerous organisations including the Nicosia Chamber of Commerce and Industry, The Cyprus Tourism Development Company Limited, Parklane Hotels Limited and MHV Lifestyle Limited. He is also a member of the Cyprus Hotel Association. He holds an MBA in International Business Administration and a B.Sc. in Hotel Business Management from Johnson & Wales University, United States of America.

4.7 SHARE CAPITAL

4.7.1 Authorised Share Capital

On 16 October 2018, the authorised share capital of the Company was €1.000,00 divided into 1.000 ordinary shares with a nominal value of €1,00 per share.

On 18 April 2019, the authorised share capital of the Company was increased to €1.000,01 divided into 1.000 ordinary shares with a nominal value of €1,00 per share and 1 preference share with a nominal value of €0,01.

On 7 April 2021, the authorised share capital of the Company increased from €1.000,01 (1.000 ordinary shares with a nominal value of €1,00 per share and 1 redeemable preference share with a nominal value of €0,01) to €144.449,01 (1.000 ordinary shares with a nominal value of €1,00 per share, 1 redeemable preference share with a nominal value of €0,01 and 143.449 redeemable preference shares with a nominal value of €1,00 per share).

On 11 November 2021, the authorised share capital of the Company increased from €144.449,01 (1.000 ordinary shares with a nominal value of €1,00 per share, 1 redeemable preference share with a nominal value of €0,01 and 143.449 redeemable preference shares with a nominal value of €1,00 per share) to €197.789,01 (1.000 ordinary shares with a nominal value of €1,00 per share, 1 redeemable preference share with a nominal value of €0,01 and 196.789 redeemable preference shares with a nominal value of €1,00 per share).

On 21 July 2023, the authorised share capital of the Company was increased from €197.789,01 divided into 1.000 ordinary shares with a nominal value of €1,00 per share, 1 redeemable preference share with a nominal value of €0,01 and 196.789 redeemable preference shares with a nominal value of €1,00 per share to €120.397.790 divided into 120.201.000 ordinary shares of nominal value €1,00 each, 196.789 redeemable preference shares with a nominal value of €1,00 per share and 100 redeemable preference shares of nominal value €0,01 each.

On 21 July 2023, following the redemption of the redeemable preference shares (for more details, please refer to sub-section "*Redeemable Preference Shares*" below) the authorised share capital of the Company was increased, converted, reclassified and redenominated from €120.397.790 divided into 120.201.000 ordinary shares of nominal value €1,00 each, 196.789 redeemable preference shares with a nominal value of €1,00 per share and 100 redeemable preference shares of nominal value €0,01 each to €120.397.790 divided into 120.397.790 ordinary shares of nominal value €1,00 each.

4.7.2 Issued Share Capital

Ordinary Shares

On 16 October 2018, the Company issued 100 ordinary shares with a nominal value of €1,00 per share for the total consideration of €100,00 to Themis Trustees Limited.

On 22 February 2019, Themis Trustees Limited transferred 10 ordinary shares to Flowpulse Limited and 90 ordinary shares to Prodea Real Estate Investment Company S.A. (formerly NBG Pangaea Real Estate Investment Company) through instruments of transfer.

On 18 April 2019, the Company issued 100 ordinary shares with a nominal value of €1,00 per share at a premium of €573.499,00 per share for the total consideration of €57.350.000,00, as follows:

- 10 ordinary shares to Flowpulse Limited, and
- 90 ordinary shares to Prodea Real Estate Investment Company S.A..

On 1 April 2021, Prodea Real Estate Investment Company S.A. transferred 90 ordinary shares to Papabull Investments Limited through an instrument of transfer.

On 17 December 2021, the Company issued 100 ordinary shares with a nominal value of €1,00 per share at a premium of €249,00 per share for the total consideration of €25.000,00 as follows:

- 10 ordinary shares to Flowpulse Limited,
- 45 ordinary shares to Prodea Real Estate Investment Company S.A., and
- 45 ordinary shares to Papabull Investments Limited.

On 17 December 2021, the Company issued additional 100 ordinary shares with a nominal value of €1,00 per share at a premium of €689,00 per share for the total consideration of €69.000,00 as follows:

- 10 ordinary shares to Flowpulse Limited,
- 45 ordinary shares to Prodea Real Estate Investment Company S.A., and
- 45 ordinary shares to Papabull Investments Limited.

On 29 December 2021, the Company issued 230 ordinary shares with a nominal value of €1,00 per share at a premium of €131.263,9277 per share for the total consideration of €30.190.933,37, as follows:

- 104 ordinary shares to Flowpulse Limited, and
- 126 ordinary shares to Papabull Investments Limited[4].

The aforesaid shares were issued on the basis of unanimous board and shareholder resolutions dated 29 December 2021. As such any shareholder pre-emption rights were effectively waived in respect of this issuance.

On 30 December 2021, the Company issued 90 ordinary shares with a nominal value of €1,00 per share at a premium of €178.332,3333 per share for the total consideration of €16.049.999,99 to Ascetico[5] Limited. The aforesaid shares were issued on the basis of unanimous board and shareholder resolutions dated 29 December 2021, based on which any shareholder pre-emption rights in respect of this issuance have been waived.

On 21 July 2023, following the redemption of the redeemable preference shares (for more details, please refer to sub-section "*Redeemable Preference Shares*" below), the Company issued 120.200.000 ordinary shares with nominal value of €1,00 per share at par for the total consideration of €120.200.000, as follows:

- 24.040.000 ordinary shares to Flowpulse Limited,
- 30.050.000 ordinary shares to Prodea Real Estate Investment Company S.A., and
- 66.110.000 ordinary shares to Ascetico Limited.

The consideration for the issue of the aforesaid shares was set off against the redemption value of the redeemable preference shares.

[4] On 28 December 2022 the Board of Papabull Investments Limited approved the merger of the company with Yoda Plc. On 12 January 2023, the District Court of Nicosia approved the scheme of arrangement for the aforesaid merger, which became effective on 17 January 2023. As a result of the merger, Yoda Plc became the owner of the ordinary shares held by Papabull Investments Limited in the Company.
[5] On 24 March 2023, the 100% of the issued share capital of Ascetico Limited was acquired by Yoda Plc. On 31 March 2023, the Board of Directors of Yoda Plc decided to transfer the direct holding acquired via the merger with Papabull Investments Limited to Ascetico Limited.

On 21 July 2023, the shareholders transferred 2.700 ordinary shares to the following persons via instruments of transfer:

- Ascetico Limited transferred 1.200 ordinary shares equally to Messrs. Alon Bar, Marios Alexandrou, Achilleas Dorotheou and Stavros Ioannou (i.e., 300 shares to each transferee) at the price of of c.€3,516 per share, and
- Flowpulse Limited transferred 1.500 ordinary shares equally to Christina Georgiou, Elena Kyriakidou, Katerina Papachristou, Vassos Kyprianou and Cubic Berry Limited (i.e., 300 shares to each transferee) at the price of of €3,00 per share.

As at the date of this document, the issued share capital of the Company is €120.200.720 divided into 120.200.720 ordinary shares of nominal value €1,00 each.

Redeemable Preference Shares

On 18 April 2019, the Company issued 1 redeemable preference share with a nominal value of €0,01 for the total consideration of €0,01 to Bank of Cyprus Public Company Limited, which was redeemed by the Company on 26 March 2021.

On 7 April 2021, the Company issued 143.449 redeemable preference shares with a nominal value of €1,00 per share at a premium of €999,00 per share for the total consideration of €143.449.000,00, as follows:

- 14.345 redeemable preference shares to Flowpulse Limited,
- 64.552 redeemable preference shares to Prodea Real Estate Investment Company S.A., and
- 64.552 redeemable preference shares to Papabull Investments Limited.

On 11 November 2021, the Company issued 53.340 redeemable preference shares with a nominal value of €1,00 per share at a premium of €999,00 per share for the total consideration of €53.340.000,00, as follows:

- 5.334 redeemable preference shares to Flowpulse Limited,
- 24.003 redeemable preference shares to Prodea Real Estate Investment Company S.A., and
- 24.003 redeemable preference shares to Papabull Investments Limited.

On 17 December 2021, the Company redeemed in total 94.000 redeemable preference shares with a value of €1.000,00 per share (nominal value of €1,00 per share at a premium of €999,00 per share), as follows:

- 9.400 redeemable preference shares from Flowpulse Limited,
- 42.300 redeemable preference shares from Prodea Real Estate Investment Company S.A., and
- 42.300 redeemable preference shares from Papabull Investments Limited.

On 29 December 2021, the Company issued in total 59.261 redeemable preference shares with a nominal value of €1,00 per share at a premium of €999,00 per share for the total consideration of €59.261.000,00 as follows:

- 26.761 redeemable preference shares to Flowpulse Limited,
- 45 redeemable preference shares to Prodea Real Estate Investment Company S.A., and
- 32.455 redeemable preference shares to Papabull Investments Limited.

On 30 December 2021, the Company issued 23.150 redeemable preference shares with a nominal value of €1,00 per share at a premium of €999,00 per share for the total consideration of €23.150.000,00 to Ascetico Limited.

On 31 May 2022, the Company redeemed in total 40.000 redeemable preference shares with a value of €1.000,00 per share (nominal value of €1,00 per share at a premium of €999,00 per share), as follows:

- 8.000 redeemable preference shares from Flowpulse Limited,
- 10.000 redeemable preference shares from Prodea Real Estate Investment Company S.A.,
- 17.000 redeemable preference shares from Papabull Investments Limited, and
- 5.000 redeemable preference shares from Ascetico Limited

On 12 January 2023, the Company approved a capital reduction, by way of redemption of 25.000 redeemable preference shares with a value of €1.000,00 per share (nominal value of €1,00 per share at a premium of €999,00 per share) in cash, as follows:

- 5.000 redeemable preference shares from Flowpulse Limited,
- 6.250 redeemable preference shares from Prodea Real Estate Investment Company S.A.,
- 10.625 redeemable preference shares from Papabull Investments Limited[6], and
- 3.125 redeemable preference shares from Ascetico[7] Limited.

On 21 July 2023, all the 120.200 issued redeemable preference shares were redeemed at nominal value of €1,00 each plus premium of €999 per redeemable preference share, as follows:

- 24.040 redeemable preference shares from Flowpulse Limited,
- 30.050 redeemable preference shares from Prodea Real Estate Investment Company S.A., and
- 66.110 redeemable preference shares from Ascetico Limited.

The total nominal amount of €120.200 was redeemed out of the Company's profits and the premium amount of €120.079.800 was provided out of the Company's share premium account. As a result of the aforesaid redemption, the Company no longer has any redeemable preference shares in issue.

4.7.3 Reduction of capital by Group entities

On 12 January 2023, the Department of Registrar of Companies and Intellectual Properties certified the capital reduction of the Company's subsidiary, The Cyprus Tourism Development Company Limited, which cancelled 1.754.386 shares of nominal value €1,71 held by the Company. On the same date, CTDC's share premium account decreased from €10.146.980,29 to €3.299.967 following a court order dated 2 November 2022. The total amount of the share capital reduction of €9.847.013 was set off against the loan granted by CTDC to the Company in 2022.

4.8 MAJOR SHAREHOLDERS

The following table presents the shareholders of the Company as at the date of this Admission Document:

Shareholder	Number of Shares - Direct	Number of Shares – Indirect	Total Number of Shares	Percentage Holding (%)
Flowpulse Limited	24.038.644	0	24.038.644	19,99875%
Bank of Cyprus Public Co Ltd - Omnibus Account (NR) *	30.050.180	0	30.050.180	25,00000%
Ascetico Limited**	66.109.196	0	66.109.196	54,99900%
Members of the Board				
- Alon Bar	300	0	300	0,00025%
- Achilleas Dorotheou	300	0	300	0,00025%
- Athanasios Karagiannis	0	0	0	0,00000%
- Aristotelis Karytinos	0	0	0	0.00000%
- Christophoros Papachristophorou	0	0	0	0,00000%

[6] On 28 December 2022 the Board of Papabull Investments Limited approved the merger of the company with Yoda Plc. On 12 January 2023, the District Court of Nicosia approved the scheme of arrangement for the aforesaid merger, which became effective on 17 January 2023. As a result of the merger, Yoda Plc became the owner of the redeemable preference shares held by Papabull Investments Limited in the Company.
[7] On 24 March 2023, the 100% of the issued share capital of Ascetico Limited was acquired by Yoda Plc. On 31 March 2023, the Board of Directors of Yoda Plc decided to transfer the direct holding acquired via the merger with Papabull Investments Limited to Ascetico Limited.

Shareholder	Number of Shares - Direct	Number of Shares – Indirect	Total Number of Shares	Percentage Holding (%)
- Alexios Pipilis	0	0	0	0,00000%
- Charalambos Michael	0	0	0	0,00000%
Senior management	0	0	0	0,00000%
Secretary Themis Secretarial Services Limited	0	0	0	0,00000%
Personnel	0	0	0	0,00000%
General Public***	2.100	0	2.100	0,00175%
TOTAL	**120.200.720**	**0**	**120.200.720**	**100%**

Notes:

* The ordinary shares owned by Prodea Real Estate Investment Company S.A. are held in the omnibus account. The said company is a public company listed on the Main Market of the Athens Stock Exchange.

** Ascetico Limited is a wholly owned subsidiary of Yoda Plc, a public company listed on the ECM of the CSE.

*** General Public comprises of seven (7) shareholders, of which six (6) are physical persons and one (1) is a legal person.

4.9 RELATED PARTY TRANSACTIONS

As at the date of this Admission Document, the major shareholders of MHV Mediterranean Hospitality Venture Plc are the following:

- Flowpulse Limited with c. 20,0%,
- Prodea Real Estate Investment Company S.A. with 25,0%,
- Ascetico Limited with c. 55,0%.

The following transactions were carried out with related parties for the years ended 31 December 2022 and 31 December 2021. All transactions occurred under normal business conditions and were carried out at arms' length.

4.9.1 Directors' remuneration

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

	30 June 2023 (unaudited)	31 December 2022 (audited)	31 December 2021 (audited)
	€	€	€
Directors' remuneration	496.155	761.863	522.719
	496.155	**761.863**	**522.719**

4.9.2 Sales and other income

	Nature of transactions	30 June 2023 (unaudited)	31 December 2022 (audited)	31 December 2021 (audited)
		€	€	€
Prodea Real Estate Investment Company S.A.	Sponsorships	-	-	10.000
Sales of investment properties	Trade	-	-	7.000.000
Invel Real Estate Management Ltd	Trade		-	1.389

Aphrodite Hills Pantopoleion Limited	Rental income	-	85.419	-
Prodea Real Estate Investment Company S.A.	Accommodation income	9.367	4.746	-
Invel Real Estate Advisors LLP	Accommodation income	1.400	3.530	-
Invel Real Estate Management Ltd	Accommodation income	3.953	45.689	-
Shareholder (Yoda group)	Accommodation income and F&B services	65.974	363.786	-
		80.694	**503.170**	**7.011.389**

4.9.3 Purchases and other expenses

	Nature of transactions	30 June 2023 (unaudited)	31 December 2022 (audited)	31 December 2021 (audited)
		€	€	€
Invel Real Estate Management Ltd	Consulting services	450.000	-	3.595.597
Aphrodite Hotels Limited	Trade	-	3.458	-
		450.000	**3.458**	**3.595.597**

4.9.4 Receivables from related parties

	Nature of transactions	30 June 2023 (unaudited)	31 December 2022 (audited)	31 December 2021 (audited)
		€	€	€
Aphrodite Springs Public Limited	Trade	-	-	31.356
For the Love and Life Foundation Ltd	Trade	-	-	9.108
Aphrodite Hills Pantopoleion Limited	Trade	-	-	26.746
Prodea Real Estate Investment Company S.A.	Trade	3.201	-	-
MHV IA Limited	Financing	37.562	16.999	-
Flowpulse Limited	Financing	-	2.510	-
Aphrodite Hills Resort Limited	Dividends receivable	-	646.997	-
Aphrodite Hills Resort Limited	Recharge of expense	46.067	136	-
Invel Real Estate Advisors LLP	Trade	-	1.205	-
Invel Real Estate Management Ltd	Trade	26.994	35.355	-
Yoda Plc	Trade	27.943	-	-
		141.766	**703.202**	**67.210**

Receivables from related parties were provided interest free and there was no specified repayment date.

4.9.5 Payables to related parties

	Nature of transactions	30 June 2023 (unaudited)	31 December 2022 (audited)	31 December 2021 (audited)
		€	€	€
A.M. Resort Pharmacy Kouklia Ltd	Trade	-	-	283
MHV IA Limited	Trade	1.000	1.000	-
Aphrodite Hills Resort Limited	Trade	-	2.200	-
		1.000	**3.200**	**283**

Payables to related parties were provided interest free and there was no specified repayment date.

4.9.6 Debit balances of current accounts of shareholders/directors

	30 June 2023 (unaudited)	31 December 2022 (audited)	31 December 2021 (audited)
	€	€	€
Prodea Real Estate Investment Company S.A.	-	-	840
Director	-	-	2.039
Shareholder (individuals)	-	72.506	-
	-	**72.506**	**2.879**

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

4.9.7 Directors' / Shareholders' current accounts – credit balances

	30 June 2023 (unaudited)	31 December 2022 (audited)	31 December 2021 (audited)
	€	€	€
Prodea Real Estate Investment Company S.A.	-	-	11.193.750
Flowpulse Limited	-	-	2.497.490
Papabull Investments Limited	-	-	11.250.000
Director	**1.740**	1.740	-
	1.740	**1.740**	**24.941.240**

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

4.10 LOANS AND GUARANTEES GRANTED FOR THE BENEFIT OF THE MEMBERS OF THE BOARD OF DIRECTORS

The Issuer has not granted any loans and/or guarantees for the benefit of the members of the Board of Directors.

4.11 KEY PROVISIONS OF THE ARTICLES OF ASSOCIATION

4.11.1 Appointment and Removal of Directors

Each and every shareholder (as such term is defined in the Company's Articles of Association) shall have the right by way of written notice to the Company, to nominate and appoint two (2) persons as directors and in each case to require, by way of written notice to the Company, that any such person(s) be removed from office and a replacement appointed in his/their place for each 20% holding of ordinary shares in the Company in issue from time to time.

In addition, the Shareholders shall have the right to nominate and/or appoint one additional person (over and above the nominations and appointments above) to be a director of the Company by way of special resolution.

4.11.2 Shareholders Reserved Matter

The carrying out of the following matters of the Company shall require Shareholder Supermajority Consent (being a decision passed by shareholders holding at least 75% of the ordinary shares in the Company):

a) the increase of authorised share capital of the Company and/or the issuance and allotment of any shares; and
b) merger of the Company with any party other than a subsidiary of the Company;
c) any amendment to the articles of association of the Company;
d) the waiver of the pre-emptive rights as set out in the articles of association of the Company.

4.11.3 Takeover Bid

As per the articles of association of the Company, where any person, as a result of his/her own acquisition (or the acquisition by persons acting in concert with him/her), will as a result of such acquisition (combined with any shares held by such person and any persons acting in concert with him or her), directly or indirectly, hold 30% or more of the voting rights in the Company at the date of the acquisition, such person (the "**Offeror**") is required to make a bid (and if such Offeror is not a shareholder then the selling shareholder shall procure that the Offeror makes a bid) to all the shareholders for their shares at a price equal at least to the highest price paid or agreed to be paid for the same securities by the Offeror or by persons acting in concert with him/her, during the last twelve months prior to the announcement of the bid. The timeframe and procedure for bid of the Offeror, whether bid is successful or unsuccessful and the steps to be taken are defined in the articles of association of the Company.

4.11.4 Directors Reserved Matters

Notwithstanding anything to the contrary in the articles of association of the Company, the following matters of the Company will require (i) the approval of two thirds (and rounding up the resulting number by excess) of the directors appointed from time to time or (ii) in case of a Conflict Matter (as such term is defined in the Company's Articles of Association), the approval of two thirds (and rounding up the resulting number by excess) of the directors entitled to vote (in each case, rounded upwards):

a) making any amendment to the constitutional documents of any subsidiary;
b) passing any resolution for, or otherwise taking any action with a view to commencing, the liquidation, winding up or dissolution or to effect a merger or spin-off of the Company or any of its subsidiaries, other than in the ordinary course of business (in either case, unless required to do so by law);
c) any borrowing by the Company or a subsidiary in excess of a 50% Loan-To-Value (other than as approved within the business plan);
d) carrying on any business or activity other than the business of the Company or any subsidiary or any transaction or activity with a related party or not on arms' length terms (including advancing/repaying shareholder loans);
e) approval of the annual business plan and annual budget;
f) incurring any commitment or expense or series of commitments or expenses not otherwise contemplated in the annual budget in excess of 5% of the annual budget in respect of the Company and its subsidiaries taken as a whole during any financial year;
g) acquiring any property or shares of a company or selling material assets of the Company or any subsidiary (in each case to the extent beyond its day-to-day management in the ordinary course);
h) appointing or removing the CEO or CFO; and or
i) negotiating or permitting a listing or subsequent de-listing or listing in a different exchange or regulated market that the market in which the shares of the Company are currently listed.

5. HISTORICAL FINANCIAL INFORMATION

The consolidated financial statements of the Group for the years ended 31 December 2022 and 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRSs), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

The consolidated financial statements of the Group for the years ended 31 December 2022 and 31 December 2021 have been audited by the Group's independent auditors, Ernst & Young Cyprus Limited.

The following financial results for the six-month period ended 30 June 2023 are based on the unaudited interim condensed consolidated financial statements of the Group for the aforesaid period, which have been prepared in accordance with the International Accounting Standard 34 – "Interim Financial Reporting". The unaudited interim condensed consolidated financial statements of the Company for the six-month period ended 30 June 2023 have been reviewed by the independent auditors of the Group in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of an Entity".

The selected financial information provided below has been extracted from the audited consolidated financial statements of the Group as at and for the years ended 31 December 2022 and 31 December 2021 (the "**Audited Financial Statements**") and the Group's unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2023 (the "**Interim Financial Statements**"). The historical financial information should be read in conjunction with the Group's Audited Financial Statements and the Interim Financial Statements and the relevant notes to the financial statements for the said years or periods. The Audited Financial Statements and the Interim Financial Statements of the Group are enclosed as Appendix A of this Admission Document.

5.1 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

5.1.1 Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the period ended 30 June	
	2023 (unaudited)	**2022 (unaudited)**
	€	**€**
Revenue	23.858.587	34.401.613
Cost of sales	(20.795.231)	(33.426.786)
Gross profit	**3.063.356**	**974.827**
Other income	842.654	406.463
General and administration expenses	(7.908.798)	(12.101.694)
Other (losses)/gains - net	(316.324)	703.185
Operating loss	**(4.319.112)**	**(10.017.219)**
Finance income	175.870	-
Finance costs	(3.063.415)	(2.015.874)
Net finance costs	(2.887.545)	(2.015.874)
Share of profit/(loss) of associates	-	88.902
Share of profit/(loss) of joint venture	(892.659)	-
(Loss) /Profit before taxation	(8.099.315)	(11.944.191)
Tax	(266.581)	2.033.948
Net (Loss)/Profit for the period	**(8.365.896)**	**(9.910.243)**
Other comprehensive income		
Revaluation (loss)/gain on land and buildings	(3.204.334)	12.885.891
Deferred taxation on revaluation of land	312.097	(2.943.782)
Share of other comprehensive income from joint venture	443.661	-
Other comprehensive income for the period	**(2.448.575)**	**9.942.109**
Total comprehensive income for the period	**(10.814.472)**	**31.866**

Review of total income

During the six-month period ended 30 June 2023 the revenue of the Group amounted to €23.858.587 compared to €34.401.613 for the six-month period ended 30 June 2022. The decrease of €10.543.026 is mainly due to the decrease of €3.871.086 and €5.943.705 in revenue from property management and real estate development respectively (for more details please refer to Section 5.4 – "*Analysis of Revenue*").

The operating loss decreased by €5.698.107 from (€10.017.219) for the six-month period ended 30 June 2023 to (€4.319.112) for the year ended 31 December 2022, mainly due to the following:

- the increase in the gross profit by €2.088.529, mainly as a result of the decrease in Group's cost of sales,
- the decrease in general and administration expenses by €4.192.896 (or by c.34,6%), which is mainly driven by the decrease in such expenses due to the sale of the Company's 50% stake in Aphrodite Hills Resort Limited, which is not consolidated in the Interim Financial Statements, and
- the reversal of net other gains of €703.185 and turn into net other losses of €316.324, which comprise of impairment charge on land and buildings.

Net finance costs increased by €871.671, from €2.015.874 for the six-month period ended 30 June 2022 to €2.887.545 for the six-month period ended 30 June 2023 mainly due to the increase in the interest rates on the Group's credit facilities with banks.

The net loss for the six-month period ended 30 June 2023 amounted to €8.365.896 compared to a net loss of €9.910.243 for the six-month period ended 30 June 2022.

Other comprehensive income for the period ended 30 June 2023 decreased by €12.390.684, from €9.942.109 for the six-month period to 30 June 2022 to (€2.448.575) mainly due to the revaluation loss on land and buildings.

5.1.2 Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December	
	2022 (audited)	**2021 (audited)**
	€	**€**
Revenue	99.637.262	64.896.957
Cost of sales	(66.027.633)	(50.642.613)
Gross profit	**33.609.629**	**14.254.344**
Other income	896.962	536.171
General and administration expenses	(30.205.432)	(20.420.484)
Other (losses) /gains - net	(1.953.264)	8.974.088
Operating profit	**2.347.895**	**3.344.119**
Finance income	27.490	33.361
Finance costs	(6.073.880)	(2.687.200)
Net finance costs	(6.046.390)	(2.653.839)
Share of results of associates	225.256	1.891
Share of results of joint venture	(165.146)	-
Negative goodwill from acquisition of subsidiary	-	44.352.347
Gain on partial disposal of subsidiaries	2.181.740	-
(Loss) /profit before tax	**(1.456.645)**	**45.044.518**
Tax	1.800.719	1.871.649
Net profit for the year	**344.074**	**46.916.167**

	For the year ended 31 December	
	2022 (audited)	2021 (audited)
	€	€
Other comprehensive income		
Items that will not be classified subsequently to profit or loss:		
Revaluation gain on land and buildings	132.960.475	24.632.594
Deferred taxation on revaluation of land	(26.306.298)	(5.314.272)
Share of other comprehensive income from joint venture	8.939	-
Other comprehensive income for the year	**106.663.116**	**19.318.322**
Total comprehensive income for the year	**107.007.190**	**66.234.489**

Review of total income

During the year ended 31 December 2022 the revenue of the Group amounted to €99.637.262 compared to €64.896.957 for the year ended 31 December 2021. The increase of €34.740.305 is mainly due to the increase of €24.861.314 and €7.861.241 in revenue from hotel operations and property management respectively (for more details please refer to Section 5.4 – *"Analysis of Revenue"*). It is noted that the Group revenue for the year ended 31 December 2021 includes revenue from the subsidiary company namely "Parklane Hotels Limited" for the amount of €55.691.284 which relates to the period from 9 April 2021 to 31 December 2021, and revenue from the subsidiary company namely "Porto Heli Hotel & Marina S.A." for the amount of €3.037.018 for the period from 12 May 2021 to 31 December 2021.

The operating profit decreased by €996.224 from €3.344.119 for the year ended 31 December 2021 to €2.347.895 for the year ended 31 December 2022, mainly due to the following:

- the increase in the gross profit by €19.355.285, mainly as a result of the increase in Group's revenue,
- the increase in general and administration expenses by €9.784.948 (or by 47,9%), which is mainly driven by the increase in electricity, fuel, water, sewerage and cleaning expenses of €4.880.789 and the increase in depreciation expense of €3.961.404, and
- the reversal of net other gains of €8.974.088 and turn into net other losses of €1.953.264, which comprise of, among others, impairment charges.

Net finance costs increased by €3.392.551, from €2.653.839 for the year ended 31 December 2021 to €6.046.390 for the year ended 31 December 2022 mainly due to the increase in interest expense of €2.825.535 and bank charges of €421.419.

The net profit for the year ended 31 December 2022 amounted to €344.074 compared to a net profit of €46.916.167 for the year ended 31 December 2021. It is noted that negative goodwill of €44.352.347 which arose on the acquisition of Parklane Hotels Limited was recognised during the financial year 2021 and was the main contributor to the net profit for the year ended 31 December 2021, while a gain of €2.181.740 from the disposal of the Company's 50% stake in Aphrodite Hills Resort Limited has been recognised in the financial year 2022.

Other comprehensive income for the year ended 31 December 2022 of €106.663.116 (2021: €19.318.322) mainly relates to the revaluation gain on land and buildings of €132.960.475 and to deferred taxation on revaluation of land of €26.306.298.

5.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

5.2.1 Interim Condensed Consolidated Statement of Financial Position

	30 June 2023 (unaudited)	31 December 2022 (audited)
	€	**€**
ASSETS		
Non-current assets		
Property, plant and equipment	382.181.386	382.660.863
Right-of-use assets	2.146.858	2.263.067
Intangible assets	3.738.470	3.818.160
Investments in joint ventures	26.572.912	26.374.913
Trade and other receivables	35.372.257	34.336.171
Deferred tax assets	2.879.372	2.784.555
	452.891.254	**452.237.729**
Current assets		
Inventories	72.566.694	67.401.865
Trade and other receivables	7.066.061	5.873.129
Financial assets at fair value through profit or loss	1.001	1.001
Cash at bank and in hand	17.738.252	37.363.461
	97.372.008	**110.639.456**
Total assets	**550.263.263**	**562.877.185**
EQUITY AND LIABILITIES		
Shareholders' equity		
Ordinary shares – share capital	720	720
Ordinary shares – share premium	103.684.313	103.684.313
Redeemable preference shares – share capital	120.200	145.200
Redeemable preference shares – share premium	120.079.800	145.054.800
Other reserves	116.360.511	118.809.086
Retained earnings	46.624.346	54.990.239
Total shareholders' equity	**386.869.890**	**422.684.358**
Non-current liabilities		
Borrowings	73.429.352	74.887.410
Lease liability	2.200.421	2.304.919
Deferred tax liabilities	31.547.242	31.871.776
Government grants	3.014.632	3.100.397
	110.191.648	**112.164.502**
Current liabilities		
Trade and other payables	35.446.172	12.143.895
Government grants	129.000	129.000
Bank overdrafts	1.998.190	-
Borrowings	5.584.895	5.471.491
Lease liability	156.835	102.769
Deferred consideration	9.841.480	9.681.975
Current tax liabilities	45.152	499.195
	53.201.725	**28.028.325**
Total liabilities	**163.393.373**	**140.192.827**
Total liabilities and shareholders' equity	**550.263.263**	**562.877.185**

Review of financial position

Inventories increased by c.7,7% from €67.401.865 as at 31 December 2022 to €72.566.694 as at 30 June 2023. The increase of €5.164.829 is mainly due to the increase of €7,8m in land under development in CTDC which was offset by the decrease of €3,0m in completed property in Parklane.

Share premium relating to redeemable preference shares amounted to €120.079.800 as at 30 June 2023 compared to €145.054.800 as at 31 December 2022. The decrease of €24.975.000 relates to the redemption of 25.000 redeemable preference shares which occurred on 12 January 2023. For more details, please refer to section 5.7.2 – *"Issued Share Capital"*.

Other reserves decreased by €2.448.575 from €118.809.086 as at 31 December 2022 to €116.360.511 as at 30 June 2023 mainly due to the revaluation loss on land and buildings of €3.204.334, which was offset by (i) deferred taxation on revaluation of land of €312.097 and (ii) the share of other comprehensive income from joint venture for the amount of €443.661.

Trade and other payables amounted to €35.446.172 as at 30 June 2023 compared to €12.143.895 as at 31 December 202. The increase of €23.302.277 is mainly due to (i) the advance payment from Panphila Investments Limited amounting to €17,5m in CTDC for the sale of the office tower and (ii) the increase of €4,0m in trade payables due to increased operations of Parklane.

5.2.2 Consolidated Statement of Financial Position

	31 December 2022 (audited)	**31 December 2021 (audited)**
	€	**€**
ASSETS		
Non-current assets		
Property, plant and equipment	382.660.863	261.400.722
Right-of-use assets	2.263.067	3.703.349
Investment properties	-	2.400.000
Intangible assets	3.818.160	16.077.852
Investments in associates	-	444.934
Investments in joint ventures	26.374.913	8.978
Other asset	-	112.470
Trade and other receivables	34.336.171	47.631.304
Deferred tax assets	2.784.555	5.507.592
	452.237.729	**337.287.201**
Current assets		
Inventories	67.401.865	110.554.445
Trade and other receivables	5.873.129	6.898.593
Financial assets at fair value through profit or loss	1.001	1
Refundable taxes	-	100.000
Cash at bank and in hand	37.363.461	96.927.850
	110.639.456	**214.480.889**
Total assets	**562.877.185**	**551.768.090**
EQUITY AND LIABILITIES		
Equity		
Ordinary shares – share capital	720	720
Ordinary shares – share premium	103.684.313	103.684.313
Redeemable preference shares – share capital	145.200	185.200
Redeemable preference shares – share premium	145.054.800	185.014.800
Other reserves	118.809.086	19.242.217
Retained earnings	54.990.239	47.549.918
Total equity	**422.684.358**	**355.677.168**

	31 December 2022 (audited)	31 December 2021 (audited)
	€	€
Non-current liabilities		
Borrowings	74.887.410	92.637.381
Lease liabilities	2.304.919	3.435.829
Deferred consideration	-	9.368.142
Trade and other payables	-	2.280.674
Deferred tax liabilities	31.871.776	20.130.703
Government grants	3.100.397	3.368.721
	112.164.502	**131.221.450**
Current liabilities		
Trade and other payables	12.143.895	44.043.817
Government grants	129.000	21.881
Bank overdrafts	-	4.175.439
Borrowings	5.471.491	14.931.069
Lease liabilities	102.769	991.371
Deferred consideration	9.681.975	-
Current tax liabilities	499.195	89.395
Provision for other liabilities and charges	-	616.500
	28.028.325	**64.869.472**
Total liabilities	**140.192.827**	**196.090.922**
Total equity and liabilities	**562.877.185**	**551.768.090**

Review of financial position

Property, plant and equipment amounted to €382.660.863 as at 31 December 2022 compared to €261.400.722 as at 31 December 2021. The increase of €121.260.141 is mainly due to the revaluation adjustment of €132.960.475 and additions of property, plant and equipment of €56.867.560, which were offset by disposal of property, plant and equipment of €92.044.178 as a result of the disposal of the Company's 50% stake in Aphrodite Hills Resort Limited on 24 November 2022. The retained interest in Aphrodite Hills Resort Limited was recognised as investment in joint ventures at the fair value of €27.169.139.

Inventories decreased by 39,0% from €110.554.445 as at 31 December 2021 to €67.401.865 as at 31 December 2022. The decrease of €43.152.580 is mainly due to the decrease in the stock of completed property which is partly attributed to the sale of the Company's 50% stake in Aphrodite Hills Resort Limited and to the decrease in stock of apartments available in Park Tower.

Share premium relating to redeemable preference shares amounted to €145.054.800 as at 31 December 2022 compared to €185.054.800 as at 31 December 2021. The decrease of €39.960.000 relates to the redemption of 40.000 redeemable preference shares which occurred on 31 May 2022. For more details, please refer to section 5.7.2 – *"Issued Share Capital"*.

Other reserves increased by €99.566.869 from €19.242.217 as at 31 December 2021 to €118.809.086 as at 31 December 2022 mainly due to the revaluation gain on land and buildings of €132.960.475, which was offset by (i) deferred taxation on revaluation of land of €26.306.298 and (ii) the transfer of accumulated revaluation gains for the amount of €7.096.247 to retained earnings due to the disposal of the Company's 50% stake in Aphrodite Hills Resort Limited.

Total non-current and current borrowings amounted to €80.358.901 as at 31 December 2022 compared to €107.568.450 as at 31 December 2021. The decrease of €27.209.549 is mainly due to (i) the repayment of borrowings (principal and interest) of €27.949.695, (ii) the reduction in borrowings for the amount of €32.523.396 due to the disposal of the Company's 50% stake in Aphrodite Hills Resort Limited, and (iii) new borrowings of €30.500.000.

Trade and other payables amounted to €12.143.895 as at 31 December 2022 compared to €46.324.491 as at 31 December 2021. The decrease of €34.180.596 is mainly due to the reduction of shareholders' credit balances of €24.941.240.

5.3 CONSOLIDATED STATEMENT OF CASH FLOWS

5.3.1 Interim Condensed Consolidated Statement of Cash Flows

	For the period ended 30 June	
	2023 (unaudited)	**2022 (unaudited)**
	€	**€**
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ profit for the period before tax	(8.099.315)	(11.944.191)
Adjustments for:		
Depreciation of property, plant and equipment	3.597.742	3.335.054
Depreciation of right-of-use assets	116.208	356.827
Unrealised exchange loss	-	1.189
Amortisation of intangible assets	79.690	525.237
Share of profit from associates	-	(88.902)
Share of loss from joint ventures	892.659	-
Profit from the sale of property, plant and equipment	-	52.160
Impairment charge/ (Reversal of impairment loss) on buildings	316.324	(703.185)
Impairment charge - intangible assets	-	1.469.098
Fair value gains - investment property	-	(100.000)
Interest income	(7.004)	-
Interest expense on lease liabilities	41.968	13.846
Interest expense on bank loans	2.427.541	1.466.592
Effective interest income on deferred consideration for the sale of Aphrodite Hills sub-group	(168.866)	-
Effective interest expense on deferred consideration of the acquisition of Parklane Hotels Limited	159.505	-
Finance expenses	319.372	439.975
Amortisation of arrangement fees	115.003	94.272
Loss from operating activities before working capital changes	**(209.173)**	**(5.186.348)**
Changes in working capital:		
(Increase)/Decrease in inventories	(5.164.829)	4.888.690
(Increase)/Decrease in trade and other receivables	(2.707.148)	20.671.116
Increase/(Decrease) in trade and other payables	23.095.976	(10.560.407)
Cash generated from operations	**15.014.852**	**9.813.051**
Tax paid	(373.835)	-
Net cash generated from operating activities	**14.641.016**	**9.813.051**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of property, plant and equipment	(7.344.818)	(46.737.308)
Dividends received from associate	-	92.454
Net cash used in investing activities	**(7.344.818)**	**(46.644.854)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on redemption of redeemable shares	(25.000.000)	(40.000.000)
Repayment of borrowings	(1.590.900)	(9.386.761)
Proceeds from borrowings	-	30.500.000
Payment on lease liabilities	(32.400)	(326.272)
Interest paid	(2.259.121)	(1.643.560)

	For the period ended 30 June	
	2023 (unaudited)	2022 (unaudited)
	€	€
Payment of loan arrangement fees	(37.177)	(1.811.318)
Net cash used in financing activities	**(28.919.598)**	**(22.667.911)**
Net decrease in cash and cash equivalents	**(21.623.399)**	**(59.499.714)**
Cash and cash equivalents at beginning of the period	37.363.461	92.752.411
Cash and cash equivalents at end of the period	**15.740.062**	**33.252.697**

Review of cash flows

The net decrease in cash and cash equivalents of €21.623.399 for the period ended 30 June 2023 is mainly due to the following:

- The positive effect of changes in working capital for the amount of €15.223.999.
- The payment for purchase of property, plant and equipment of €7.344.818.
- The payment on redemption of redeemable shares of €25.000.000.
- The payment of interest on bank loans of €2.259.121.
- The repayment of borrowings for the amount of €1.590.900.

5.3.2 Consolidated Statement of Cash Flows

	For the year ended 31 December	
	2022 (audited)	2021 (audited)
	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/ profit before tax	**(1.456.645)**	**45.044.518**
Adjustments for:		
Depreciation of property, plant and equipment	7.811.288	3.875.190
Depreciation of right-of-use assets	1.036.197	1.010.891
Amortisation of grants	-	(57.477)
Unrealised exchange profit	(1.004)	(9.942)
Amortisation of intangible assets	1.064.753	203.706
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	-	(44.352.346)
Share of profit from associates	(225.256)	(1.891)
Share of loss/(profit) from joint ventures	165.146	(5.812)
Profit from the sale of property, plant and equipment	(52.160)	(21.892)
Profit from the sale of investments in subsidiaries	(2.181.740)	-
Reversal of impairment loss on buildings	(2.267.994)	4.595.997
Impairment charge on land under development	197.569	558.854
Impairment charge on inventories	1.056.312	-
Impairment charge - intangible assets	2.094.939	-
Write off of property, plant and equipment	1.024.598	-
Fair value gains – investment property	(100.000)	(14.093.990)
Interest income	(21.863)	(33.276)
Interest expense	4.428.101	1.635.994
Provision for doubtful debtors	167.488	(13.057)
Provision for staff benefits	-	(3.966)
Reduction of liabilities (excluding banks)	-	1.283.343

	For the year ended 31 December	
	2022 (audited)	2021 (audited)
	€	€
Finance expenses	534.106	691.417
Amortisation of arrangement fees	615.869	-
Profit from operating activities before changes in working capital	**13.889.704**	**306.261**
Changes in working capital:		
Decrease in inventories	9.861.060	1.249.845
Decrease in trade and other receivables	17.789.339	40.668.332
Decrease in receivables from other related parties	-	952
Decrease in contract assets	-	139.208
Increase in financial assets at fair value through profit or loss	(1.000)	-
Decrease in trade and other payables	(11.584.431)	(18.093.328)
Decrease in contract liabilities	-	(98.536)
Cash generated from operations	**29.954.672**	**24.172.734**
Tax paid	(502.107)	(647.779)
Debit interest and related expenses paid	-	(155.009)
Net cash generated from operating activities	**29.452.565**	**23.369.946**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of intangible assets	(1.000.000)	(850)
Payment for purchase of property, plant and equipment	(56.867.560)	(3.977.761)
Payment for purchase of investment property	-	(309.803)
Acquisition of subsidiaries, net cash outflow on acquisition	-	(56.694.318)
Disposal of subsidiaries, cash inflow on disposal	12.577.249	-
Payment for purchase of investments held-to-maturity	-	(125.008)
Proceeds from disposal of property, plant and equipment	-	152.643
Deposits in joint ventures	-	(3.166)
Interest received	-	23.388
Dividends received from associate	238.318	-
Government grants received	-	16.360
Net cash used in investing activities	**(45.051.993)**	**(60.918.515)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	231.678.432
Payments on redemption of redeemable shares	(40.000.000)	(94.000.000)
Repayments of borrowings	(24.204.547)	(3.006.386)
Payments on lease liabilities	(528.509)	(478.632)
Proceeds from borrowings	30.500.000	-
Interest paid	(3.745.148)	(5.135.297)
Payment of loan arrangement fees	(1.811.318)	-
Net cash (used in)/ generated from financing activities	**(39.789.522)**	**129.058.117**
Net (decrease)/ increase in cash and cash equivalents	**(55.388.950)**	**91.509.548**
Cash and cash equivalents at beginning of the year	92.752.411	1.242.863
Cash and cash equivalents at end of the year	**37.363.461**	**92.752.411**

Review of cash flows

The net decrease in cash and cash equivalents of €55.388.950 for the year ended 31 December 2022 is mainly due to the following:

- The profit from operating activities before working capital changes of €13.889.704.
- The positive effect of changes in working capital for the amount of €16.064.968.

- The payment for purchase of property, plant and equipment of €56.867.560.
- The cash received for the disposal of subsidiaries for the amount of €12.557.249.
- The payment on redemption of redeemable shares of €40.000.000.
- The proceeds from new borrowings of €30.500.000 which were offset by repayments of borrowings of €24.204.547.

The net increase in cash and cash equivalents of €91.509.548 for the year ended 31 December 2021 is mainly due to the following:

- The acquisition of subsidiaries (net cash payment for the acquisition) of €56.694.318.
- The proceeds from issue of share capital of €231.678.432.
- The payment on redemption of redeemable shares of €94.000.000.

5.4 ANALYSIS OF REVENUE

The below table presents the Group's revenue per major product line:

Revenue	Hotel operations	Property management	Real estate development	Boutique sales	Other operations	Total
	€	€	€	€	€	€
Six-month period ended 30 June 2023	20.192.942	-	3.278.133	119.398	268.114	**23.858.587**
Six-month period ended 30 June 2022	18.662.589	3.871.086	9.221.838	85.033	2.561.067	**34.401.613**
Year ended 31 December 2022	56.225.094	8.422.114	29.506.708	339.424	5.143.922	**99.637.262**
Year ended 31 December 2021	31.363.780	560.873	30.792.217	201.751	1.978.336	**64.896.957**

The hotel operations and the real estate development activities had the most significant contribution to the Group's revenue for the six-month period ended 30 June 2023 and for the financial years ended 31 December 2022 and 31 December 2021.

More specifically, revenue from hotel operations increased from €18.662.589 for the six-month period ended 30 June 2022 to €20.192.942 for the six-month period to 30 June 2023 and represented 84,6% of the Group's revenue for the six-month period to 30 June 2023. Similarly, revenue from hotel operations increased by €24.861.314 (of by 79,3%), from €31.363.780 for the year ended 31 December 2021 to €56.225.094 for the year ended 31 December 2022, accounting for 56,4% of the Group's revenue for the year ended 31 December 2022 (2021: 48,3%).

Revenue from hotel operations was followed by revenue from real estate development, which decreased from €9.221.838 for the six-month period ended 30 June 2022 to €3.278.133 for the six-month period ended 30 June 2023. The said source of income decreased by 4,2% from €30.792.217 for the year ended 31 December 2021 to €29.506.708 for the year ended 31 December 2022 and represented 29,6% of the Group's revenue for the year ended 31 December 2022 (2021: 47,4%).

Revenue from property management represented 8,5% of the Group's revenue for the year ended 31 December 2022 (2021: 0,9%) and increased significantly from €560.873 for the year ended 31 December 2021 to €8.422.114 for the year ended 31 December 2022. The contribution of revenue from boutique sales to the Group's revenue was 0,3% during the financial years 2021 and 2022, while revenue from other operations represented 5,2% and 3,0% of the Group's revenue for the year ended 31 December 2022 and 31 December 2021, respectively.

5.5 MATERIAL CHANGES IN HISTORICAL FINANCIAL INFORMATION

The historical financial performance and financial position of the Group as at the date of this Admission Document have been impacted by the following significant changes:

a) On 21 July 2023, the Company approved the redemption of 120.200 redeemable preference shares at the issue price of €1.000 (nominal value of €1,00 each plus premium of €999 per redeemable preference share.

   The total nominal amount of €120.200 was redeemed out of the Company's profits and the premium amount of €120.079.800 was provided out of the Company's share premium account. As a result of the aforesaid redemption, the Company no longer has any redeemable preference shares in issue.

   On the same date, the Company issued 120.200.000 ordinary shares with nominal value of €1,00 per share at par for the total consideration of €120.200.000 to the holders of the aforesaid redeemable preference shares. The consideration for the issue of the aforesaid shares was set off against the redemption value of the redeemable preference shares.

b) On 6 September 2023, storm Daniel hit the area of Porto Heli, where the Company subsidiary's hotel Nikki Beach at Porto Heli is located. As a result of the heavy rainfall, the basement level of the hotel flooded causing serious damage at the hotel's electro-mechanical infrastructure and auxiliary facilities located in the basement. Consequently, the hotel ceased its operations for the season. The hotel management is currently in the process of assessing and quantifying the damage, both in terms of property and business interruption, in order to present its claim to the insurance company. Third party experts have been hired to assist management in this task. As of the date of this Admission Document, there is no quantum yet of the damage claim, nevertheless the Company's management is confident that the insurance proceeds will cover the losses to the maximum extent possible. It is noted that the contribution of Nikki Beach hotel in Porto Heli to the Group's annual revenue for the year ended 31 December 2022 and for the six-month period ended 30 June 2023 was estimated at 3,7% and 3,5% respectively, while the contribution of the subsidiary's assets to the Group's total assets as at 31 December 2022 and 30 June 2023 was 3,2% and 3,4% respectively.

c) On 8 September 2023, the Company's subsidiary, The Cyprus Tourism Development Company Limited, proceeded with the partial utilisation of Tranche B of the loan facility granted by Alpha Bank S.A., for the construction of the office tower and the renovation of the Landmark Nicosia. Tranche B amounts to €51,5 million, and as at the date of this Admission Document, CTDC drawn down the first instalment for the amount of €10,0 million.

Other than the information mentioned above, there were no other material events after the six-month period ended 30 June 2023, which could have material impact on the financial position of the Group and could affect the admission price.

6. GOALS/TARGETS, PROSPECTS AND BUSINESS PLAN

6.1 GOALS/TARGETS

MHV Mediterranean Hospitality Venture Plc aims to become the leading institutional owner of tourism related assets in the Southeast of Europe generating long-term, superior risk-adjusted returns through a combination of income and capital appreciation, resulting from attractively priced acquisitions with repositioning opportunities and continuous active portfolio management.

The Company follows an acquisition model which focuses on high-end hotels and resorts in established tourist destinations with repositioning, development or redevelopment potential.

The operating model and brand for each hotel are selected on a case-by-case basis to maximize individual performance and value.

MHV is also active in real estate development with an inventory of available high-end residential real estate as well as plans for the development of additional projects.

MHV's investment portfolio currently focuses geographically on Greece and Cyprus, two key hospitality markets in the Southeast of Europe, which both benefit from a combination of a strong tourism industry, excellent transport infrastructure and compelling underlying supporting fundamentals. Nevertheless, the company also examines selective investment opportunities in the broader Mediterranean region.

The Company will provide its shareholders with investment exposure to a portfolio of real estate assets which are or will be managed by a team of professionals with a proven track record of real estate investment and development and particular expertise in generating value from underperforming or undervalued assets, selected from time to time by the Board of Directors in its judgment and discretion.

6.2 PROSPECTS FOR YEAR 2023

Despite the geopolitical and macroeconomic challenges, with the Russia – Ukraine conflict continuing into 2023 and the ensuing inflationary and increasing interest rate environment, the Company has embarked on delivering an ambitious budget for 2023, marking a significant increase in almost all major key performance indicators of the hotel business compared to the financial year ended 31 December 2022.

At the same time, the Company continues with its development plans on the real estate front, applying an active approach in monitoring and controlling construction costs through dynamic value engineering.

Taking into consideration the geopolitical situation in Eastern Europe, the restrictive measures (sanctions) imposed against the Russian and Belarussian government, various companies and certain individuals, as well as the emerging uncertainty regarding global supply of commodities and rising prices of raw materials, the Company's management has proactively taken the following measures for the implementation of its strategy for 2023:

- Reduction in operational costs and renegotiation of payment terms with key suppliers and creditors;
- Entrance into new contractual terms with new tour operators and agents with the aim to attract clients from alternative markets such as the Middle East, UK and Central Europe;
- Focus on local market; and
- Actions to sale or long-term leasing of stock of completed property and land under development.

The management of the Group is also in the process of reassessing the trading and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs, taking into consideration the current political and economic developments.

6.3 BUSINESS PLAN

The Company's business plan focuses on delivering its investment objective to provide shareholders and investors with superior returns through a combination of income and capital appreciation from its investment portfolio.

MHV currently owns prime hospitality assets and real estate in Cyprus and Greece, representing a gross asset value of over €560m. These include:

- Parklane, a Luxury Collection Resort & Spa in Limassol, Cyprus
- Aphrodite Hills Resort in Paphos, Cyprus
- The Landmark Nicosia in Nicosia, Cyprus
- Nikki Beach Resort & Spa in Porto Heli, Greece
- Porto Paros in Paros, Greece
- A staff-housing residential complex in Limassol, Cyprus

The Company's Business Plan is prepared by the Board of Directors which maintains the responsibility of its implementation. The Company is already deploying its strategy and business plan in the acquired assets.

6.3.1 Parklane, a Luxury Collection Resort & Spa, Limassol (Limassol, Cyprus)

Parklane, a Luxury Collection Resort & Spa, Limassol is a 274-room beachfront resort, located in the council of Pyrgos, approximately 18km northeast of the Limassol city centre and 53km southwest of Larnaca International

Airport. It is an internationally branded luxury beach resort in Cyprus, comprising 222 guestrooms and 52 suites, including 18 luxurious villas (Park Suites), offering a diversity of choice from family-friendly to adult-only options. The resort features 5 distinct restaurants (including the international branded restaurants Nammos Limassol and La Petit Maison (LPM)), the award-winning Kalloni Spa which is the leading wellness facility in Cyprus covering a total area of 3.000 sqm, the largest kids' playground in a hotel in Cyprus, a 300-meter beachfront, three large swimming pools, two ballrooms and five big meeting rooms.

The property also features Park Tower, a residential development with a total covered area of c. 8.123 sqm that has been developed within the land plot of Parklane.

In addition, the property features an additional available building coefficient of c.11.000 sqm which will be used for the development of two sea-front, high-rise residential towers.

Since acquisition of the asset in April 2021, MHV has been deploying and continues to deploy its strategy, focusing on the following pillars:

- Operation of Parklane hotel as an internationally branded luxury resort, under a franchise agreement with Starwood EAME License and Services Company BVBA;
- Sale of remaining Park Tower apartment inventory; and
- New development, utilizing the additional building coefficient.

Hotel Operation

Parklane aims to be the leading destination in Cyprus offering an enhanced variety of services, facilities, world-class culinary options and a unique luxury-brand retail experience.

The business plan strategy for the hotel focuses on:

- Average Daily Rate / Pricing consistent with the high-profile clientele;
- Enhancing occupancy focusing on key markets (Russia, UK), but also expanding on non-traditional markets (USA, Middle East, Asia);
- Being the number one choice for conferences, meetings, and social events in the domestic market;
- Enhancing the F&B outlets' positioning and guest experience, through high-end international brands. To this end, the business plan includes the addition of a branded restaurant in 2024, following the successful opening of Nammos Limassol and LPM Limassol in 2022;
- Expansion of retail offering in the resort premises with the opening of Dior, Loro Piana and Loewe boutiques as well as an Off-White pop-up store within 2023. Moreover, MHV is in discussions for the opening of an additional mono-brand luxury boutique within 2024, thus creating a second-to-none luxury-brand retail proposition in Cyprus;
- Increasing non-residential guests to the upscale hotel's facilities of the Kalloni Spa, Park Fit and Park Kitz.

Park Tower

The Park Tower is Limassol's most prestigious and luxurious residential landmark combining visionary architecture and superb design with first-class amenities and spectacular views.

Park Tower comprises of eleven floors and is divided into 18 apartments (ranging from 356 sqm to 360 sqm), one whole-floor apartment (717 sqm) and one penthouse (946 sqm). Up to the date of this document, fourteen apartments have already been sold, out of which 6 apartments were sold within 2022 and 1 apartment during 2023.

The business plan entails the sale of the remaining apartment inventory (i.e., of 6 apartments or 3.096 sqm, including internal area and covered verandas), targeting high net worth individuals, capitalizing also on brand loyalty (Nammos, LPM) that the integrated resort offers. More specifically, the target for 2023 is for at least 3 additional apartments to be sold.

Additional Building Coefficient

The business plan entails the exploitation of the additional available building coefficient of c.11.000sqm for the development of two sea-front, high-rise residential towers, featuring a presidential suite for the hotel and an impressive retail arcade, which will be fully integrated into the hotel structure.

The new residential buildings will be located at opposite ends of the hotel grounds, one at the western end and the other at the eastern end.

The environmental study, as required by the Cyprus Law, has already been completed, while the planning permit application has been submitted and its issuing is expected by September 2023.

Building permits are expected to be issued by the end of September 2023, while construction is expected to start by the end of December 2023. Completion is expected by end of December 2025.

West Residential Building

The western complex will occupy an area of approximately 7.100 sqm. It will comprise 8 floors with 36 residential units (two and three-bedroom apartments) and an underground parking with 62 parking spaces. In addition, the complex will feature a lobby / reception area, common areas, gym and a retail arcade all developed in two levels. The development will be integrated into the hotel's current structure, facilitating traffic and easy access to the retail stores by hotel guests.

East Residential Building

The eastern complex will occupy an area of approximately 3.600 sqm and will comprise 9 floors with 18 residential units (two and three-bedroom apartments) and a 2-level underground parking with 40 parking spaces.

It will also include a presidential suite which will be integrated with and added to the hotel's inventory.

6.3.2 Aphrodite Hills Resort (Paphos, Cyprus)

Aphrodite Hills is a hotel, resort and real estate complex, located in Paphos, Cyprus and extending over 2,3 million sqm of land.

The complex is conveniently located about 15km east of Paphos International Airport (15 minutes by car) and 114km west of Larnaca International Airport (75 minutes by car).

The complex features a luxurious 5-star 290-room hotel, an 18-hole championship PGA-awarded golf course and golf academy, a 27-treatment room spa / wellness centre, various indoor and outdoor pools, 9 tennis courts and a football field. The hotel is operated by Atlantica Hotels as "Sensatori", a 5-star all-inclusive TUI brand.

Resort facilities and amenities also include a variety of food and beverage outlets, supermarket, car rental office, ATM, medical centre as well as 325 parking spaces (157 indoor and 168 outdoor).

Aphrodite Hills also develops luxury villas and premium apartments within the land area of the resort for sale or rent. The residential component comprises approximately 800 already constructed residences, while building coefficient is available for the development of 128 additional units. Private residences feature individual parking spots.

MHV has a 50% stake in Aphrodite Hills Resort Limited, the owning company of Aphrodite Hills, in a joint venture with Atlantica Hotels (W.R.A. Consultants Ltd) since November 2022.

MHV and Atlantica are deploying their strategy, focusing on the following pillars:

- Operation of the hotel and resort; and
- Sale of remaining real estate inventory and real estate development, utilizing the additional building coefficient.

<u>Resort Operation</u>

The hotel is currently operated by Atlantica Hotels. The business plan includes the renovation, extension and rebranding of the hotel as an upscale all-inclusive 5-star resort, through a potential co-operation with an international flag. The expansion amounts to 3.475 sqm and relates to the creation of 48 additional rooms and 5 villas.

In addition, the management plans to renovate the Village Square and spa, upgrade the Food & Beverage offerings and introduce an amusement park. The amusement park will provide activities for families staying in the resort as well as for non-residents.

Renovation is expected to start in the fourth quarter of 2023 and will be conducted in two phases during winter periods, aiming to minimize disruption of the resort's business.

Real Estate

Aphrodite Hills offers a variety of both fully constructed and off-plan properties as well as land plots available for construction, scattered across the resort providing unique, uninterrupted and far-reaching views out to the blue Mediterranean Sea and the Resort's PGA golf course.

Aphrodite Hills Resort Limited has built and sold more than 800 units and plots since 2001, adjusting its products to market demands, while additional building coefficient of approximately 26.000sqm corresponding to 128 units is projected to be sold or be explored by the development of different projects. More specifically, an inventory of 6 land plots (8.215 sqm), 4 completed villas (919 sqm) and 26 junior villas and apartments under construction (3.131 sqm) is currently available for sale. Moreover, there are plans for the development of an additional 92 units (junior villas and apartments) under different projects for a total of 13.257sqm.

Currently, the project Dionysus Greens – Phase 1 is under development, with completion expected in September 2023. Real estate inventory also includes the recently completed available Poseidon villas which occupy enviable location on elevated ground with uninterrupted, far - reaching views out to the Mediterranean.

6.3.3 The Landmark Nicosia (Nicosia, Cyprus)

The Landmark Nicosia started its operations in 1967 as Hilton until May 2019. It is considered Cyprus' landmark hotel and a part of the country's modern history. As the largest hotel in Nicosia with 210 rooms and 84 executive suites, it is the first choice for all governmental delegations, VIP arrivals and prestigious weddings in the country.

Landmark was awarded for seven consecutive years as Cyprus Leading Business Hotel and for three consecutive years as Cyprus Leading Hotel.

The hotel ceased operations on 30th September 2021, to allow for the full renovation of the property, which is still in progress and expected to be completed at the end of August 2024.

The business plan includes:

- the hotel renovation and conversion to Marriott's Autograph Collection, to include: two new signature restaurants, a second swimming pool, a fully renovated spa, the biggest ballroom in Nicosia and a new wine bar and cigar lounge;
- the development of a residential tower, with the sale of 53 residential units of c. 7.800 sqm in total; and
- the development and sale of 26.000sqm (16.100sqm Net Lettable Area) green office tower.

The cost for the renovation of the hotel is budgeted at €28,0m including the development of new high-tech ballroom, additional restaurants and additional pool. Hotel opening following renovation is expected in September 2024.

The cost of development of the office and residential towers is at approximately €70,0m. Construction has already begun and the expected completion of the office and residential towers is March 2025 and April 2025 respectively.

In December 2021, the Company's subsidiary CTDC entered into a forward sale agreement with Panphila Investments Limited for the office tower of Landmark Nicosia on a pre-agreed yield basis. The final selling price of the office tower is expected in the region of €70,0m and will be determined based on the space that will be rented by CTDC to tenants at the settlement of the forward sale agreement. The Company's subsidiary CTDC has already signed lease agreements with two blue chip tenants for a total of 5 floors (approximately 30% of the office tower's Net Leasable Area).

The financing of the development program has been secured with a loan of up to €51,5m from a credit institution in Greece (Alpha Bank S.A.), while the instalments from the forward sale of the office tower will be used by MHV's subsidiary to finance development cost.

6.3.4 Nikki Beach Resort & Spa (Porto Heli, Greece)

Nikki Beach Resort & Spa Porto Heli is a 5-star hotel located at the heart of the Greek Riviera, in the cosmopolitan area of Porto Heli, and very near to the popular islands of Spetses and Hydra.

The resort spans 8.000 sqm and includes 66 state-of-the-art hotel rooms and suites, two restaurants, the brand's world-renowned Beach Club, Nikki Spa and unique top-line amenities.

The resort operates under a franchise agreement with Nikki Beach EMEA Hotels & Resorts and is currently managed by SWOT, a leading hospitality white flag operator in Greece.

The MHV business plan entails the renovation and expansion of the hotel and beach facilities, through the acquisition of two adjacent land plots which was completed within 2022.

Moreover, the Company aims to further increase the F&B offering with the creation of a new outlet in order to fully capture the F&B revenue potential of the hotel and the development of a conference room to increase group business and attract weddings from local market.

It is noted that on 6 September 2023, storm Daniel hit the area of Porto Heli, where the Nikki Beach hotel is located, and as a result of the heavy rainfall, the basement level of the hotel flooded causing serious damage at the hotel's electro-mechanical infrastructure and auxiliary facilities located in the basement. Consequently, the hotel ceased its operations for the season and the hotel management is currently in the process of assessing and quantifying the damage, both in terms of property and business interruption, in order to present its claim to the insurance company (for more details please refer to Section 5.5. – "*Material Changes in Historical Financial Information*").

6.3.5 Porto Paros (Paros, Greece)

Porto Paros is a 233-key hotel set upon a privileged location on the island of Paros, Greece, offering unique views over the sea, with five restaurants, six bars, a marina, outdoor pools, kids' area, retail shops and sports facilities.

The hotel, currently classified as a four-star property, is beach-front, conveniently located beside the renowned Kolympithres beach, very close to Naousa, the main town of Paros, Cyclades, and it is well connected to the airport of Paros, located just 20km away from the hotel.

The estimated capital expenditure for the hotel's renovation is €100,0m, and the business plan includes the repositioning of the hotel as a luxury resort under an international flag. Upon completion of the renovation, Porto Paros aims to become the leading destination in Cyclades, Greece with enhanced variety of services, facilities, culinary options and luxury retail offering.

6.3.6 Other business

In order to implement the Group's business plan, the Company may, from time to time, enter into agreements for the provision or receipt of management, consulting, advisory or other services to/from other Group companies and affiliates pertaining to their activities. As of the date of the Admission Document, no such agreements are in effect. Additionally, in the event that the Company generates investment returns above certain hurdle rates, the Company shall make a capital contribution to MHV IA Limited for the benefit of any of its members entitled to dividends or other forms of payment.

7. RISK FACTORS

Any investment in the Company's shares is subject to a number of risks. Accordingly, any prospective investor should carefully consider the following risks and uncertainties together with all other information set out in this Admission Document prior to making any decision for investing in the Company's shares. If in doubt, an independent financial advisor authorised by the Cyprus Securities and Exchange Commission which specialises in advising on the acquisition of shares and other securities in Cyprus should be consulted.

The following is not an exhaustive list or explanation of all risks which the Company's shareholders may face when making an investment in the Company's shares and should be used as guidance only. Additional risks and *uncertainties relating to the Company and its subsidiaries (the "**Group**") that are not currently known to the Company, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, results of operations, financial condition and prospects and, if any such risk should occur, the price of the shares may decline and the Company's shareholders could lose all or part of their investment. Prospective investors should consider carefully whether an investment in the Company's shares is suitable for them in light of the information set out in this Admission Document and their personal circumstances and should consult their own stockbroker, lawyer, auditor or other financial, legal and/or tax advisers prior to making an investment decision.*

The risk factors set out below relate to the Company and the Group as at the date of this Admission Document. The order of the below risk factors does not indicate the significance of any particular risk factor.

7.1 RISKS RELATING TO THE ECONOMIC CONDITIONS IN CYPRUS, EUROPE AND GLOBALLY

7.1.1 Economic conditions in Cyprus

The business activities and the performance of the Group are materially dependent on the economic conditions in, and future economic prospects of, Cyprus, where a significant part of the Group's operations are based and revenues are generated.

The Cypriot economy recovered during years 2015-2019. Based on the International Monetary Fund ("**IMF**")[8], the gross domestic product increased by 3,4% in 2015, 6,5% in 2016, 5,9% in 2017, 5,7% in 2018 and 5,3% in 2019. However, due to the COVID-19 pandemic (for more information please refer to risk 7.1.3. below), the economy contracted by 4,4% in 2020 and recovered in 2021, as per the IMF[8].

The IMF has issued a report[9] based on which growth in Cyprus is projected to slow from 5,6% in 2022 to around 2,5% in 2023 reflecting the expected erosion in household disposable income from inflation, tighter financial conditions, and a delayed impact of sanctions against Russia on financial and professional services. As per the said report, the growth is forecast to regain momentum in 2024, and it is expected to average around 3,0% in the medium-term, supported by public and private investments, structural reforms and the further expansion of the information and communication technologies ("**ICT**") sector.

As a result of the developments in Ukraine and the surrounding areas starting from 24 February 2022, certain governments, and organisations, including the EU, have imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies and certain individuals. The recent events in Ukraine, may have consequences for the economy in Cyprus, which cannot yet be predicted, but the main concern at the moment is the upward pressure on commodity prices and input costs and rising inflation which adversely and materially impact the Company's and the Group's business, financial condition, cash flows and results of operations. While it is difficult to predict and/or estimate the impact of the war in Ukraine on the Company's business and financial position, the current conflict could adversely impact the Company's business, financial condition, cash flows and/or results of operations.

Should the growth of the Cypriot economy falters as a result of any of the above or other factors, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

7.1.2 Economic and political developments in Greece, Europe and globally

The economic developments in Greece have a direct effect on the activities of the Group, which operates in Greece through its subsidiary companies. The important challenges which Greece may face, which could adversely affect its growth, include, among others, the escalation of the war in Ukraine which would result to more persistent inflation and subsequently to an increase in minimal wages, the possible new wave of the COVID-19 pandemic, the non-efficient absorption rate of EU funding and the increase in geopolitical tension in the region which could impact

[8] https://www.imf.org/en/Countries/CYP
[9] IMF - Cyprus: 2023 Article IV Consultation-Press Release; and Staff Report; 5 June 2023 (https://www.imf.org/en/Countries/CYP)

international tourism[10]. The said challenges could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, key external economic factors which both affect and indicate the economic condition and prospects of Europe and other regions include unemployment levels, consumer and government spending levels, government monetary and fiscal policies, inflation rates, credit spreads, currency exchange rates, the availability and cost of capital and funding, market indices, investor sentiment and confidence in the financial markets, consumer confidence, the liquidity in financial markets, the level and volatility of equity prices, commodity prices and interest rates, real estate prices and changes in customer behaviour. In particular, any period of unpredictable movements, severe dislocations and liquidity disruptions in the financial markets in the Eurozone or elsewhere could impede the Group's ability to raise capital. This could result in, among other things, the issuance of capital and funding of different types or under different terms than otherwise would have been issued or realised, or the incurrence of additional or increased funding and capital costs compared to the costs borne in a more stable market environment. Furthermore, some of the Group's risk management strategies may not be as effective at mitigating risks as such strategies would be under more normal market conditions. This could potentially have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Furthermore, factors and events outside of the Group's control could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. The particular examples of such factors and events include, but are not limited to:

- changes in the level of interest rates imposed by the European Central Bank,
- the trade war between the United States and the rest of the countries may destabilise the global economy,
- the passing and implementation of an increasing number of European Union regulations and directives,
- political instability or military conflict that impacts Europe and/or other regions,
- terrorist acts, other acts of war or hostility (for example the war in Ukraine), geopolitical tensions, pandemics, diseases, natural disasters or other such events and responses to those acts/events may create economic and political uncertainties, which could have an adverse impact on Cyprus and the international economic conditions generally, and more specifically on the business activities and results of the Company in ways that cannot necessarily be predicted.

7.1.3 Economic effects of a possible surge of the COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Most governments around the world, including the Republic of Cyprus and Greece, took stringent steps to stem the spread of the virus, including, among others, closing borders, travelling restrictions, self-isolation, suspension of the business activities of certain companies, lockdowns etc. The said measures have resulted in, among others, the downturn of the global economy, the reduction in tourism and air transports, the contraction of international trade and in disruptions in global supply chain.

The IMF has issued a report[11] based on which global growth is projected to slow from 3,4% in 2022 to 2,8% in 2023.

A possible new wave of the COVID-19 pandemic, due to new variants of the virus, may result in another downturn of the global economy and the hospitality industry in particular, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

7.1.4 Economic effects of a high inflationary environment in Europe

As per IMF[11], inflation in the Euro Area hit a record high of 8,4% in 2022 and it is expected to decrease to 5,3% in

[10] https://china-cee.eu/2023/02/01/greece-economy-briefing-greek-economy-outlook-for-2023/#:~:text=According%20to%20OECD%2C%20in%202022,1.6%25%20and%20same%20in%202024
[11] IMF – World Economic Outlook – April 2023 (https://www.imf.org/en/publications/weo)

2023. In light of inflationary pressure and consequently depressed consumer spending, guests in the Group's hotel facilities experience a higher cost of living and thus have less disposable income to spend on vacations, which leads to reduced occupancy rates and revenue from hotel operations. In addition, increasing travel costs, amidst recent airfare increases and rental car expenses, would suggest a further reduction of consumers' spending power for vacations.
In addition, the Group's labour costs might increase due to inflation adjustments on the salaries of the unionised workforce, which could reduce the Group's operating income and profitability.

7.1.5 Economic effects of a high interest rates

Rising inflation as a result of supply-chain disruptions and the Russia-Ukraine war have prompted the European Central Bank ("**ECB**") to raise interest rate levels ten times during July 2022 and September 2023 to a rate of 4,50%, increasing the deposit facility rate to 4,00% as of September 2023, whereas prior to July 2022 the deposit facility rate had been negative since May 2014[12]. A further rise in interest rates in Europe, as is currently anticipated by capital markets, could result in increased investor interest in investments with a different risk profile and a decrease in the attractiveness of real estate investments. The change in interest rate policy by the ECB may result in higher discount and capitalisation rates and have a negative impact on the fair value of the Group's real estate portfolio. It can also negatively affect the willingness of potential buyers to make real estate purchases and therefore constrain the Group's efforts to dispose of real estate properties.

In addition, high interest rate environment makes it more expensive for people to borrow money from banks, reducing spending and consumer demand. This increase in the cost of borrowing, reduces disposable income, which therefore limits the growth in consumer spending and could lead potential buyers of commercial and residential properties to refrain from purchasing real estate due to less attractive financing terms or restricted availability of credit.

Further, increases in interest rates may permanently impair the Group's ability to finance real estate asset acquisitions through debt and may generally impact the Group's ability to refinance its liabilities. Consequently, the Group may be forced to sell real estate assets at substantial discounts, due in large part to difficult financing conditions experienced by buyers, which may be further exacerbated by an increase in persons selling real estate assets, including the Group's competitors. As a result, the Group may be exposed to the risk of a reduction in the fair value of its total real estate portfolio and may be required to recognise the corresponding losses from the resulting fair value adjustments of the Group's investment properties in its consolidated profit and loss statement. The realisation of any of these risks could have a material adverse effect on the Group's net assets, financial condition and results of operations.

7.2 RISKS RELATING TO THE HOTEL AND HOSPITALITY OPERATIONS OF THE GROUP

7.2.1 The Group's results of operations are subject to seasonal fluctuations

The Group's hotel operations are subject to seasonal fluctuations due to the fact that attendance in hotels held by the Group is at its peak during the tourist season, that is the months from April to October, while the months of November to March are off-peak periods.

In addition, any other events which may adversely affect the demand for the Group's services during the months from April to October could have a material adverse effect on the Group's business, results of operations and financial position.

7.2.2 Competition is intensified by the increase in tourist establishments in Cyprus and Greece

Traditionally, the options available to tourists for their accommodation were hotels and hotel apartments. In recent years, the supply of tourist establishments has increased significantly mainly due to Airbnb, which gives the

[12] ECB – Key ECB interest rates (https://data.ecb.europa.eu/main-figures/ecb-interest-rates-and-exchange-rates/key-ecb-interest-rates)

opportunity to property owners to rent their flats, houses, villas to tourists for a short time period (e.g., days and/or weeks).

Consequently, the hotels face competition from these establishments which may result in the decrease in hotel occupancy and/or to lower hotel room prices being offered to tourists, which could have a material adverse effect on the Group's business, revenue and results of operations.

7.2.3 Opening of competitive tourist markets in neighbouring countries

Cyprus and Greece are neighbours with countries which offer similar tourism product and, most times, at more competitive prices. In recent years, the political instability or acts of terrorism in neighbouring countries resulted in the increase in tourist arrivals in Cyprus and Greece due to last minute cancellations of the tourists' holidays in other neighbouring countries. Consequently, in case political stability is restored or there is a decline in terrorist attacks, Cyprus and Greece may face increased competition in the near future.

Moreover, in the case of Cyprus, the opening of the crossings has intensified competition as tourists who visit Cyprus have access to the occupied areas of the island, which offer cheaper accommodation options.

7.2.4 Deterioration of the competitiveness of Cyprus and Greece in the international tourist market

The sustainability of the tourism industry is affected by the endogenous price setting as well as by the cost of the non-domestic tourism product. Any material adverse deviation in the price of the domestic tourism product from the price of the non-domestic tourism product may result in a decrease of tourist arrivals in Cyprus and Greece and, as a result, in the reduction of the Group's revenue.

Moreover, a deterioration of the overall service quality in the hospitality industry of Cyprus and Greece may result in a decrease in customer satisfaction and, therefore, may negatively impact customer loyalty, which could have a material adverse effect on the Group's business and results of operations.

7.2.5 Instability or deterioration of the broader economic environment in the countries of origin of the tourists

One of the Group's main activities is the operation, through its subsidiary companies, of Parklane, The Landmark Nicosia (which is closed for renovation), Aphrodite Hills Resort in Paphos and Nikki Beach Resort & Spa in Porto Heli. Consequently, any fluctuations in the arrivals of tourists in Cyprus and Greece affect the Group's operations.

The main sources of tourism in Cyprus during 2021 were arrivals from Russia (519,2 thousand, i.e., 26,8% of total arrivals) and from the United Kingdom (390,6 thousand, i.e., 20,2% of total arrivals)[13], while the mix of tourist arrivals during 2022 changed significantly as the EU banned flights from Russia due to Russia's invasion in Ukraine. More specifically, the main source of tourism during 2022 was arrivals from the United Kingdom (1,2 million, i.e., 37,9% of total arrivals), followed by arrivals from Israel (277,4 thousand, i.e., 8,7% of total arrivals) and arrivals from Germany (192,5 thousand, i.e., 6,0% of total arrivals). Arrivals of tourists from Russia decreased by 91,3%, from 519,2 thousand in 2021 to 45,3 thousand in 2022 and represented 1,4% of the total arrivals of 2022.

The main sources of tourism in Greece during 2022 were arrivals from the United Kingdom (4,9 million, i.e., 16,1% of total arrivals), from Germany (c.4,4 million, i.e., 15,6% of total arrivals), and from France (c.1,8 million, i.e., 6,3% of total arrivals)[14].

Instability or deterioration of the broader economic environment in the countries of origin of the tourists may result in a significant decline in tourist arrivals in Cyprus and Greece, and this could have a material adverse effect on the Group's business and results of operations.

[13] Source: Statistical Service of Cyprus (https://www.cystat.gov.cy/en/)
[14] Source: Institute of SETE-INSETE (https://insete.gr/)

7.2.6 Decrease in tourist arrivals from Russia due to the war in Ukraine and the sanctions imposed on Russia

Russian residents were one of the main sources of tourism in Cyprus during 2021 (for more information please refer to risk factor 7.2.3 above). It is noted that only 119,5 thousand Russian residents (i.e., 0,8% of total arrivals) visited Greece during 2021[15].

As a result of the war in Ukraine, the European Union, the United States and other countries imposed sanctions on Russia which include, among others, the closure of Cyprus' and Greece's air space for Russian aircrafts. As a result, the decrease in arrivals of Russian residents to Cyprus, further to its adverse impact on the growth of the Cypriot economy (for more information please refer to risk factor 7.1.1 above), could have a material adverse effect on the Group's business, revenue and results of operations as a result of lower occupancy rates.

7.2.7 Decrease in tourist arrivals due to the COVID-19 pandemic

The steps taken by most governments around the world, including the Republic of Cyprus and Greece, to stem the spread of the SARS-CoV-2 virus (for more information please refer to risk factor 7.1.3 above), included the closure of the borders and travelling restrictions.

A possible surge of the COVID-19 pandemic, due to new variants of the virus, may result in similar actions taken by governments around the world and, therefore, to a decline in tourist arrivals in Cyprus and Greece, which could have a material adverse effect on the Group's business and results of operations.

7.2.8 Decrease in the size and quality of tourist arrivals

The number of tourist arrivals in Cyprus and Greece as well as the quality of tourist arrivals in terms of the average amount tourists spend per day of stay contributes to the Group's revenue from hotel operations.

A decrease in the size and quality of tourist arrivals in Cyprus and Greece could have a material adverse effect on the Group's business and results of operations.

7.2.9 The Group is exposed to the risk of events that adversely impact domestic or international travel

The room rates and occupancy levels of the Group could be adversely impacted by events that reduce domestic or international travel, such as actual or threatened acts of terrorism or war, epidemics, travel related accidents, travel-related industrial action, increased transportation and fuel costs and natural disasters resulting in reduced worldwide travel or other local factors impacting individual hotels. A decrease in the demand for hotel rooms as a result of such events may have an adverse impact on the Group's operations and financial results.

In addition, inadequate preparedness, contingency planning or recovery capability in relation to a major incident or crisis may prevent operational continuity and consequently impact the value or the reputation of the Group.

7.2.10 The hotel and leisure business is capital intensive

The Group owns and operates hotels and resorts in Cyprus and Greece and has a franchise agreement with Starwood EAME License and Services Company BVBA which is an affiliate of Marriott International Inc. for Parklane. In addition, the Group has an agreement with Atlantica Hotel Management Limited, which has a strategic partnership with TUI UK, for Aphrodite Hills Resort. In order for the Group's owned and managed properties to remain attractive and competitive, the Group has to spend money periodically to keep them well maintained, modernized and refurbished. This creates an ongoing need for cash and, to the extent the Group cannot fund expenditures from cash generated by operations, funds must be borrowed or otherwise obtained. Accordingly, the Group's financial results may be sensitive to the cost and availability of funds.

[15] Source: Institute of SETE-INSETE (https://insete.gr/)

7.2.11 The development and/or refurbishment of hotels and resorts or other commercial and residential properties is subject to timing, budgeting and other risks

The Group intends to develop and/or refurbish hotel and resort properties and/or develop residential and commercial real estate properties, as suitable opportunities arise, taking into consideration the general economic climate. In addition, the Group occasionally acquires and renovates hotel properties prior to the commencement of operations.

New project development or renovation of hotel properties exhibit a number of risks, including risks associated with:

- construction delays or cost overruns including those due to general market conditions, shortages or increased costs of skilled labour and/or materials and/or lender financial defaults that may increase project costs;
- risk of contractors and/or subcontractors engaged to carry out the refurbishment and/or development works defaulting on their obligations to the Group or a subsidiary company due to insolvency, market or economic downturns, operational failure, or other reasons which are beyond the Group's or the subsidiary company's control;
- receipt of zoning, occupancy and other required governmental permits and authorizations;
- development costs incurred for projects that are not pursued to completion;
- properties that are renovated could become less attractive due to decreases in demand for hotel properties, market absorption or oversupply, with the result that the Group may not be able to sell such properties for a profit or at the anticipated prices or time, or the Group may be required to record additional impairment charges;
- acts of God such as earthquakes, hurricanes, floods or fires that could increase project costs;
- limited ability to raise capital for the completion of a project due to weakness in capital markets; and
- governmental restrictions on the nature or size of a project.

The Group cannot guarantee that any development or refurbishment project will be completed on time or within budget.

7.2.12 The Group is exposed to the risks of the hotel industry supply and demand cycle

The future operating results of the Group could be adversely affected by industry over-capacity (by number of rooms) and weak demand due, in part, to the cyclical nature of the hotel industry, or other differences between planning assumptions and actual operating conditions. Reductions in room rates and occupancy levels would adversely impact the results of Group operations.

7.2.13 Risk related to the dependence on the hotel employees' work

The Company does its best to follow the most careful procedure during the precisely regulated selection and the following training of the hotel employees and by applying proper motivation and incentive systems, organizing trainings and using the methods of competence management make the employees carry out outstanding performance. However, it cannot be reasonably excluded that certain employees may reduce the satisfaction level of certain clients during their work, and this may have a negative impact on the profitability of the Company, which in turn strongly depends on the performance of these employees.

7.2.14 Premature termination of management or franchise agreements could hurt financial performance

The Group's hotel management and franchise agreements may be subject to premature termination in certain circumstances. A loss of these agreements could hurt the Group's financial performance and/or its ability to grow its business.

7.2.15 An increase in the use of third-party internet services to book online hotel reservations could adversely impact the Group's business

Some of the Group's hotel rooms are booked through internet travel intermediaries such as Booking.com, as well as less known online travel service providers. These intermediaries initially focused on leisure travel, but now also provide offerings for corporate travel and group meetings. The Group's business and profitability could be harmed to the extent that online intermediaries succeed in significantly shifting loyalties from lodging brands to their travel services, diverting bookings away from the Group's direct online channels, or through their fees, increasing the overall cost of Internet bookings for the Group's hotels. At the same time, if the Group is not able to negotiate new agreements on satisfactory terms when the Group's existing contracts with intermediaries (which generally have two- to three- year terms) come up for renewal, the Group's business and prospects could be negatively impacted in a number of ways, including by reducing bookings.

7.2.16 Collective bargaining activity and strikes could disrupt the Group's operations, increase the Group's labour costs, and interfere with the ability of Group's management to focus on executing Group's business strategies.

If relationships with the Group's organized associates or the unions that represent them become adverse, then the Group could experience labour disruptions such as strikes, lockouts, boycotts, and public demonstrations. Labour disputes and disruptions could result in adverse publicity or regulatory investigations and adversely affect operations and revenues at affected hotels. In addition, labour disputes and disruptions or increased demands from labour unions could harm the Group's relationship with its associates, result in increased regulatory requirements or inquiries and enforcement by governmental authorities, harm the Group's relationships with its guests and customers, divert management attention, and reduce customer demand for the Group's services, all of which could have an adverse effect on the Company's and Group's reputation, business, financial condition, or results of operations. In addition, labour regulation and the negotiation of new or existing collective bargaining agreements could lead to higher wage and benefit costs, changes in work rules that raise operating expenses and legal costs and could impose limitations on the Group's ability to take cost saving measures during economic downturns. Increased unionization of the Group's workforce, new labour legislation, or changes in regulations could disrupt the Group's operations, reduce its profitability, or interfere with the ability of the Group's management to focus on executing its business strategy.

7.2.17 Labour shortages could restrict the Group's ability to operate its properties or grow its business or result in increased labour costs that could adversely affect the Group's results of operations.

The Group's success depends in large part on its ability to attract, retain, train, manage and engage employees. The COVID-19 pandemic has negatively affected the labour market for employers. Labour shortages have affected the ability of the hotels owned by the Group to hire or re-hire employees during the ongoing recovery from the downturn caused by the pandemic. Among the factors that caused the labour shortages are the relative reduced appeal of working in the hospitality industry in a downturn, alternatives available in other industries and perceived health and safety concerns. If the Group is unable to attract, retain, train, manage and engage skilled individuals, its ability to staff and operate the hotels could be diminished, which could reduce customer satisfaction, and its ability to manage the Group's corporate business could be adversely affected. Because payroll costs are a major component of the operating expenses at the Group's hotels a shortage of skilled labour could also require higher wages that would increase labour costs, which could adversely affect the Group's results of operations and the results of hotels.

7.2.18 A failure to keep pace with developments in technology could impair the Group's operations or competitive position

The lodging industry continues to demand the use of sophisticated technology and systems, including those used for reservation, revenue management, property management, human resources and payroll systems, and technologies the Group makes available to its guests and its associates. The Group's business could suffer if it cannot refine, update, and/or replace technologies and systems as quickly or effectively as its competitors, sufficiently in advance of obsolescence or performance failure or degradation, or within budgeted costs and time frames. The Group may not achieve the benefits that it anticipates from any new or upgraded technology or system, and a failure to do so could result in higher than anticipated costs or lower guest satisfaction or could impair the

Group's operating results. The Group's business could also suffer if the use of technologies that provide alternatives to in-person meetings and events results in a decrease in demand for the Group's lodging properties.

7.2.19 If insurance does not sufficiently cover damage or other potential losses or liabilities to third parties the Group's profits could be reduced

The Group operates in areas where the risk of natural or other catastrophic losses exists, and the occasional incidence of such an event could cause substantial damage to the Group, or the surrounding area. The Group companies carry, insurance from solvent insurance carriers that we believe is adequate for foreseeable first party and third-party losses and with terms and conditions that are reasonable and customary. Nevertheless, market forces beyond the Group's control, such as the natural, climate-related and man-made disasters that occurred in recent years, could limit the scope of the insurance coverage that the Group can obtain or may otherwise restrict the Group's ability to buy insurance coverage at reasonable rates. In the event of a substantial loss, the insurance coverage that the Group companies carry may not be sufficient to pay the full value of the Group's financial obligations, liabilities or the replacement cost of any lost investment or property. Additionally, certain types of losses may be uninsurable or prohibitively expensive to insure. In addition, other types of losses or risks that the Group may face could fall outside of the general coverage terms and limits of its policies. In some cases, these factors could result in certain losses being completely uninsured. As a result, the Group could lose some or all of the capital it has invested in a property, as well as the anticipated future revenues, profits from the property.

7.2.20 Reputational risks

The reputation of the Group may be impacted by any fraudulent activity or litigation against the Group as well as from negative media or press coverage.

Moreover, the social and environmental impacts of the hotel business are under increasing scrutiny, and the Group is exposed to the risk of damage to its reputation if it fails to demonstrate sufficiently responsible practices in several areas such as health and safety, sustainability, responsible tourism, environmental management, human rights and support for the local community.

Failure to appropriately manage reputational risks may lead, among others, to negative publicity, loss of revenue and loss of existing or potential clients.

7.3 RISKS RELATING TO REAL ESTATE OPERATIONS OF THE GROUP

7.3.1 Valuation of real estate assets is subjective and therefore estimated fair values might be fluctuating

The Group anticipates that some of the real estate investments that it has made or will make will be in the form of investments for which market quotations are not readily available. The valuation of real estate properties is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future revenues from that particular property and, in the case of development land, the expectations regarding the cost and timing of that development and its ability to attract buyers/ tenants. As a result, the valuations of real estate assets, will be subject to a degree of uncertainty and will be made on the basis of assumptions, which may not prove to be accurate, particularly in periods of volatility or low transaction volume in the real estate property market, as has recently been the case. The Board of Directors may be required to make good faith determinations regarding the fair value of these investments on an annual basis in connection with the preparation of the Company's consolidated financial statements and NAV determinations. These determinations will often be based on information provided by the independent valuer which, in turn, may be based on estimates or assumptions made by it in relation to the value of the underlying real estate assets or unlisted real estate operating companies for which there may not be a liquid market.

In determining the fair market value of a real estate asset, the Board of Directors and/or the independent valuer is required to make certain assumptions. These assumptions include, but are not limited to, such matters as the existence of willing buyers and sellers in uncertain market conditions, titles, the condition of structures and services, deleterious materials, plant and machinery, goodwill, environmental matters, areas, statutory requirements and planning, leasing, and other information. Such assumptions may prove to be inaccurate. Incorrect assumptions could negatively affect the value imputed to real estate assets and thereby have a material adverse effect on the Group's return on investment. This is particularly true in periods of volatility or when there is limited real estate transactional data against which property valuations can be benchmarked. In addition, these valuations speak only as of their valuation dates, and market volatility since those dates may cause significant declines in the value of real estate assets.

There is no single standard for determining fair value in good faith and, in many cases, fair value is best expressed as a range of fair values from which a single estimate may be derived.

Fair values may be established using various approaches, such as discounted cash flow, a market comparable approach that is based on a specific financial measure (such as rental income, net operating income, value per square meter or other metrics) or, in some cases, a cost basis or liquidation analysis. Because valuations, and in particular valuations of real estate opportunistic investments for which market quotations are not readily available, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, determinations of fair value by the Board of Directors or an independent valuer may differ materially from the values that would have resulted if a liquid market had existed. Even if market quotations are available for the Company's and/or the Group's properties or investments, such quotations may not reflect the value that the Company would actually be able to realise because of various factors, including the illiquidity of the underlying assets, the speculative nature of real estate investments, future market price volatility or the potential for a future loss in market value based on poor real estate market conditions. The NAV per ordinary share of the Company could be adversely affected if the value of the property or the investment that the Board of Directors or the independent valuer records is materially higher than the value that is ultimately realised upon the disposal of the investment and changes in value attributed to the investment from time to time may result in volatility in such NAV per ordinary share.

There can also be no assurance that these valuations will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and annual rental income will prove to be attainable.

7.3.2 Illiquidity risk of the real estate assets

The Company's subsidiaries own relatively illiquid properties. Return on capital and realisation of gains, if any, from an investment will generally occur upon the disposition or refinance of the underlying property. The Company cannot provide any assurance that there will be available buyers with sufficient financing and who will be willing to pay fair market value at the time the Company or any of the group companies desires to sell a real estate related investment/ asset. The illiquidity of the Company's real estate related investment/ assets may affect the Company's ability to dispose of an asset and diversify or liquidate part of its portfolio in a timely fashion and at satisfactory prices, consistent with any set return for investments, in response to changes in economic, real estate market or other conditions, or to raise funds for any reason. In addition, in the case of leasehold properties, consent is often required from landlords and management companies to transfer such properties, which may further impact the timing of an asset disposition. If the Company were required to dispose of or liquidate a real estate investment/ asset on unsatisfactory terms, it may realise less than the value at which the investment was previously recorded, which could result in a decrease in NAV per ordinary share and impairing the Company's ability to achieve a positive return on investment.

Periods of reduced liquidity in the capital market may also mean that it may be difficult to achieve the sale of property assets at prices reflecting the Group's or the Company's property valuations and consistent with any set return on investment.

7.3.3 General construction and development risks

Construction and development activities may involve the following risks:

- inability to proceed with the development of properties as a result of failing to obtain financing upon favourable terms;
- additional construction costs for a development project being incurred in excess of original estimates, due to increased material, labour or other costs, which may make completion of the project uneconomical;
- inability to obtain, or delays in obtaining, required planning, land-use, demolition, building, occupancy, and

other governmental permits and authorisations, which could result in increased costs and could require the Company or its subsidiaries to abandon a project entirely. There is also a risk that planning or permitted use consents are not obtained or are delayed or are granted subject to uneconomic or unfavourable conditions. Laws may be introduced that may be retrospective and affect existing building consents which restrict development in the Company's target geographies. This could have an adverse effect on the Company's business;

- acts of nature, such as earthquakes and floods, that may damage or delay construction of properties as well as discovery of historical elements such as fossils, coins, articles of value or antiquity and structures and/or other remains of geological or archaeological interest that may impede or delay construction of properties;
- inability to complete the construction and leasing of a property on schedule, resulting in increased debt service expense and construction or renovation costs which may result in the termination of existing investment agreements and further result in claims by third parties for damages and termination of respective land leases; and
- building methods or materials used in the Group's developments may prove defective and where a construction company or subcontractor used on a development becomes insolvent it may prove impossible to recover compensation for such defective work or materials. In addition, the Group may incur losses as a result of repairing the defective work or paying damages to persons who have suffered loss as a result of such defective work. Furthermore, these losses and costs may not be covered by the professional liability insurance of the Company or its subsidiaries, the construction company, or the subcontractor.

Any negative change in one or more of the above factors may adversely affect the Group's business, financial condition, results of operations and associated return on investment. Accordingly, the Company's return on investment may be materially and adversely affected.

7.3.4 Shortage in raw materials and employees

The building industry may from time-to-time experience fluctuating prices and shortages in the supply of raw materials as well as shortages of labour and other materials. The inability of contractors and/or subcontractors to obtain sufficient amounts of raw materials and to retain efficient employees on terms acceptable to the Group's expected timelines may result in a delay in the construction of a project and costs exceeding the project's budget and, consequently, may have a material adverse effect on the results of operations.

7.3.5 The Group may not be successful in completing development projects as planned, or on commercially favourable terms

The Group may not succeed in completing development projects on time or within budget and failing to do so may prove costly and may only be able to sell/lease the space on unfavourable terms.

The planning phase of a development property may extend over several years and the time to obtain anchor commitments from buyers/tenants, planning and regulatory approvals and financing can vary significantly from project to project. Construction and other project costs may exceed the original estimates because of increases in material and labour costs, delays, and costs to obtain anchor buyer/tenant commitments, potentially making the project unprofitable.

For large development projects, planning costs and time constraints in securing the property, obtaining planning, demolition and/or construction or other permission and dealing with other third party and regulatory approvals can be significant. The Group may abandon development opportunities that they have begun pursuing and consequently fail to recover expenses already incurred. In some cases, the development of properties may be subject to revaluation losses due to, for example, the Group's determination that a given development property is not likely to yield a desired level of net sale price/rental income or occupancy. Other write-offs relating to abandoned development opportunities, or revaluation losses resulting from changes in the value of development properties, may occur in the future.

7.3.6 The Group may incur environmental liabilities relating to their real estate assets

The real estate assets held by the Group will be subject to various laws and regulations of the EU and its member states and other relevant jurisdictions and territories relating to the protection of the environment and health and safety. Under such laws and regulations, the Group may be liable for the investigation, removal, or remediation of hazardous or toxic substances, including asbestos present within the buildings, located on or in a real estate asset owned or leased by them, if environmental liabilities develop or arc identified in the future. Environmental laws and regulations may impose strict liability rendering the Group liable without regard to negligence or fault and could expose the Group to liability for the conduct of, or conditions caused by, others, or for acts that were in compliance with all applicable laws at the time such acts were performed. In addition, contaminated real estate assets may experience decreases in value.

Although an independent valuer may conduct environmental due diligence, regulatory authorities may disagree with the conclusions and risk assessments of the independent valuer or its environmental consultants. The costs of any required removal, investigation or remediation of such substances may be substantial. The presence of such substances, or the failure to remediate such substances properly, may also adversely affect the Group's ability to sell or lease the real estate or to borrow using the real estate as security. Laws and regulations, as these may be amended over time, may also impose liability for the release of certain materials into the air or water from a real estate investment, including asbestos, and such release can form the basis for liability to third persons for personal injury or other damages. Other laws and regulations relating to environmental issues can limit the development of, and impose liability for, the disturbance of wetlands or the habitats of threatened or endangered species. Environmental laws often impose liability regardless of whether the owner or operator of the property knew of, or was responsible for, the presence or release of hazardous substances. Non-compliance with, or liabilities under, existing or future environmental laws and regulations, including the failure to hold the requisite permits or licences, could result in liabilities, fines, penalties, third-party claims, operational restrictions and other costs being imposed on the Group, which could have a material adverse effect on Group's business, financial condition and results of operations and could negatively affect the value of the Company's stake.

7.3.7 The Group may incur significant costs complying with property laws and regulations

The Company's subsidiaries and their real estate assets will be required to comply with a variety of laws and regulations of local, regional, national and European Union authorities, including planning, zoning, environmental, health and safety, tax and other laws and regulations. If the Company or any of their real estate assets fail to comply with these laws and regulations, they may have to pay penalties or private damage awards. In addition, changes in existing laws or regulations, or their interpretation or enforcement, could require the Group's companies to incur additional costs in complying with those laws or regulations, alter the investing policy, operations or accounting and reporting systems, leading to additional costs or loss of revenue.

7.3.8 A serious health and safety breach and/or incident occur could adversely impact the Group's business

Failure to maintain safe working conditions would impact employee wellbeing and the creation of a positive working environment. Injury to an individual whilst at one of the Group's real estate buildings could delay construction and result in criminal prosecution, civil litigation, and reputational damage.

7.3.9 Delays in the construction work could adversely impact the Group's business

Potential delays in the construction works for reasons beyond the Group's control may occur for various reasons. These include unavailability or shortage of construction engineers, natural obstacles or possible disasters, archaeological findings, delays in issuing relevant licenses/permits from the competent authorities, delays in the fulfilment of requirements in relation to licenses obtained or other similar incidents. Such events, can affect the seamless development process, possibly causing losses to the Group and therefore loss of shareholder value.

7.3.10 The Group depends on external contractors to develop and construct the projects

The successful construction of the Group's projects, including the development properties, depends on its ability to hire general contractors and construction workers to build the projects to international standards of quality and safety on commercially reasonable terms. Competition for the services of high-quality general contractors and subcontractors and other factors may make it difficult to enter into contracting arrangements on commercially acceptable terms, within the required time frame, or at all. The Group's reliance on general contractors and subcontractors also exposes the Group to risks associated with any poor performance or work ethic of such contractors and their subcontractors and employees, construction defects and financial instability of the contractors and their subcontractors. Any failure of general contractors to meet international standards of high quality and safety could result in increased costs and may result in project delays and cancellations, which could affect the marketability of the completed property. If the Group is unable to enter into contracting arrangements with high quality general contractors or subcontractors on commercially reasonable terms or their performance is substandard, the Group may be subject to increased costs or its projects may be delayed or cancelled, which could have a material adverse effect on the Company's business, financial condition and results of operations.

7.3.11 The Group intends to obtain additional financing, first of all from financial institutions, for its development projects. There is a risk that due to limited availability of debt financing the Group might not obtain adequate financing and complete the development projects according to intended deadlines

The Group may encounter difficulties in securing debt financing as a result of an unwillingness of local and foreign banks to finance development projects in countries in which the Group currently operates or into which the Group may expand. In addition, taking into consideration the continuous increases in the lending rates by the ECB over the last 12 months, the interest rate for financing the completion of the development projects is high and not in favourable terms and conditions. The funding of the development projects in higher interest rates could significantly increase the financing costs and impact the profitability of the Group and consequently reduce the net asset value of the Company and the funds available for distribution to the shareholders.

Furthermore, as part of the funding process, financial institutions request borrowers to meet certain financial covenants, such as the ratio of Loan-to-Value and the Total Debt to EBITDA. The Group's credit facilities are subject to such covenants which must be met on an ongoing basis and any breach of the covenants could lead to the restructuring of the facilities and/or failure to obtain new financing from credit institutions. A significant increase in real estate loan interest rates and more stringent borrower qualification requirements may also require the Group to postpone scheduled projects and delay, due to market conditions, planned disposals.

Any lack of availability of debt finance in favourable terms and conditions for the Group's development projects could have a material adverse effect on the Group's business, financial condition and results of operations.

7.3.12 Competition for acquisitions or an over-supply of properties for sale or to let could adversely affect the Group

Other real estate investors compete with the Group for investment opportunities. These competitors include local developers and international developers or institutional investment funds. Competition is likely to increase prices for development sites and put more pressure on the Group's efforts to dispose of properties, which may result in lower sales prices. Any increases in prices for acquired sites or decreases in prices for properties to be sold by the Group could impair its growth prospects or reduce its available financial resources and materially adversely affect its business, results of operations, financial condition and prospects. In addition, the Group competes with other owners, operators and developers of office, residential and retail properties. Its properties, once completed, will face significant competition from similar properties in the same market segments. Such competition may affect the Group's ability to sell completed developments or, in relation to investment properties, attract and retain tenants, resulting in lower than expected rental rates. The properties operated by the Group's competitors may have higher vacancy rates, which may result in their owners being willing to make space available at lower rental rates than space in the Group's properties. These circumstances, either alone or in combination, could materially adversely affect the Group's business, results of operations, financial condition and prospects.

7.3.13 Development risk

Developments of real estate assets are typically long-term in nature and involve numerous risks, including cost overruns, which may result in projects becoming unprofitable, and changes in the economic environment, which may make it difficult or impossible to fully lease projects upon completion. The Group undertakes these developments at its own risk and, due to inherent uncertainties, the Group faces the risk that the developments it undertakes may not be profitable. This may also result in failing to complete construction and delivery of project developments within the scheduled timeframe.

The desired development schedule of the Group presumes that acceptable financing can be obtained for its projects, which will depend on the borrowing market for real estate assets. A lack of opportunities to borrow on favourable terms may result in delays in the development schedule of the Group. In the course of development, construction costs may overrun the original estimates due to increases in labour, materials and other costs that could adversely affect completion, the yield on completion and the cash balances of the Group. Development is highly dependent on promptly obtaining the required permits and approvals, such as construction permits, planning permissions and the approval of technical specifications. In extreme cases these tasks and the lack of regulatory co-operation by the relevant regulatory authorities may result in complete abandonment of a project.

Whilst it is the intention of the Company to manage conservatively the extent to which it is exposed to development risk in respect of the development projects, the returns on the ordinary shares may nevertheless be adversely affected due to such risk.

7.3.14 Construction risk

The Group depends on general contractors and other contractors on construction tasks, since no construction work is undertaken by the Group. The Group is looking for the best possible quality to be provided by their contractors; however, in some cases building works may prove defective with continued use. Any guarantee fund of the contractor may not be enough to cover the complete cost of repairing any damage, the contractor may become insolvent and no damages may be recovered at all, or the Group's ability to bring a claim may be time barred, thus resulting in cost overruns for the Group. In the course of construction the original budget estimate may increase due to fluctuations in market conditions for a particular budget category, such as labour or materials, labour force strikes, unexpected acts of nature or planning conditions being made more onerous by relevant authorities.

7.3.15 Ability to sell residential real estate

Changes in the international economic condition may limit the ability of the Group to sell residential real estate to its target group, being high net worth individuals, at the prices and volumes expected as per the business plan.

7.4 RISKS RELATING TO THE COMPANY

7.4.1 Risk of information system and software failure, as well as risk of unauthorised access to the clients' personal data

The activities of the Group depend to a significant degree on the functionality of the information systems and of the software, for the provision of services to clients.

The Group's computer systems, software and networks have been and will continue to be vulnerable to unauthorised access, loss or destruction of data, unavailability of service, computer viruses, cyber attacks and other events, which may be caused by human error, fraud or malice on the part of employees, misconfiguration of systems, failure of security updating, outdated systems or accidental technological failure. As a result, these events may adversely affect the Group's reputation and the provision of services to clients.

Moreover, should such events occur, they could result in the disclosure of confidential client information and clients' personal data. The processing of clients' personal data is subject to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (**"GDPR"**). Based on the GDPR, certain infringements are subject to administrative fines up to €20.000.000, or, in the case of an undertaking, up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher.

The GDPR applies to all EU member states, including Cyprus and Greece. Cyprus has passed the Protection of Natural Persons With Regard to the Processing of Personal Data and for the Free Movement of Such Data Law of 2018 (Law 125(I)/2018), for the purpose of effectively implementing certain provisions of the GDPR, which applies as of 25 May 2018. In Greece, the GDPR was implemented by Law 4624/2019 “on the Greek Data Protection Authority, the implementation of Regulation 2016/679 and the transposition of Directive 2016/680”, with effect as of 28 August 2019.

Any failure of the Group to comply with the requirements for the protection of clients’ personal data could have a material adverse effect on the Group’s business, results of operations, financial condition and reputation.

7.4.2 Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds.

7.4.2.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates.

The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As at 31 December 2022, an increase in interest rates by 100 basis points would result in the decrease in equity and profit or loss by €1.045.857 (2021: €718.116). This computation assumes that all other variables, in particular foreign currency rates, remain constant. In the case of a decrease in interest rates by 100 basis points, the result will be the same but with an opposite effect in equity and profit or loss.

7.4.2.2 Credit risk

Credit risk is the risk that a party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, as well as from trade receivables and receivables from related parties.

The Group’s maximum exposure to credit risk for trade receivables, receivables from related parties and cash and cash equivalents as at 31 December 2022 are €2.269.511 (2021: €3.736.311), €775.708 (2021: €70.089) and €37.231.611 (2021: €96.761.022), respectively.

7.4.2.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities.

As at 31 December 2022, the financial liabilities of the Group as per their contractual maturity, and based on their contractual undiscounted payments, are as follows:

- Bank loans of €5.874.868 with maturity up to twelve months, €8.874.153 with maturity between one to two years, €20.474.326 with maturity between two to five years and €71.281.794 with maturity more than five years;
- Lease liabilities of €181.800) with maturity up to twelve months, €181.800 with maturity between one to two years, €570.804 with maturity between two to five years and €2.760.000 with maturity more than five years;

- Trade and other payables of €7.945.445 with maturity up to twelve months; and
- Payables to related parties of €4.940 with maturity up to twelve months.

7.4.2.4 Property risk

Property risk arises from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level and/or volatility of property market prices. As at the date of this Admission Document, the Group invests in companies which own real estate properties (e.g., hotels). The volatility of property market prices may affect the value of the Group's investments which are measured and recorded at fair value in the financial statements.

7.4.2.5 Currency risk

The majority of the Group transactions takes place in Euros. Nevertheless, for the part of transactions taking place in other currencies, operations of the Company and more specifically the revenues, are expected to be affected by fluctuations of worldwide currencies against the euro.

7.4.2.6 Capital risk management

Capital includes equity shares and share premium.

The Group manages its capital structure and proceeds with adjustments in light of changes in economic conditions, in order to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity ratio.

In order to maintain or adjust its capital structure, the Group may adjust its dividend payments, return capital or issue new shares, which may affect the Group's dividend yield or result to dilution of shareholders' percentage holding.

7.4.3 The Company and/or its subsidiaries have a right to determine how their investments and development plans are structured and financed

The Company has a right to determine which investments to make, how those investments are structured (for example through wholly owned subsidiaries, joint ventures, minority positions etc.) and whether or not it will incur indebtedness and/or give credit support (such as guarantees and security) in connection therewith. The same is applicable to any subsidiary the Company has or may bring into existence in the future. Neither the Company nor its subsidiaries can guarantee that they will be able to generate enough cash flow from operations to service their debt obligations.

Currently, the Company's shareholdings in the subsidiary companies Porto Heli Hotel & Marina S.A., Parklane Hotels Limited and The Cyprus Tourism Development Company, as well as the shares in the Aphrodite Hills Hotels and Resort Limited sub-group, are pledged for the loan facilities granted to the aforesaid subsidiaries and joint venture for the completion of their development plans. In addition, the Company provided guarantee for certain facilities, while the assets (including land and buildings, land under development, inventory of completed properties and receivables) of the subsidiaries are pledged for the benefit of the lenders.

The degree to which the Company and/or its subsidiaries will be leveraged following the admission could have important consequences for shareholders, including, but not limited to the fact that incurring indebtedness may:

- make it more difficult for the Group to satisfy its obligations with respect its other debt and liabilities;
- make the Group vulnerable to, and reduce its flexibility to respond to, adverse economic and/or industry conditions;
- require the Group to dedicate a substantial portion of its cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures or other general corporate purposes;

- limit the Group's flexibility in planning for, or reacting to, changes in its business and the competitive environment and industry in which it operates;
- place the Group at a competitive disadvantage compared with its competitors that are not as highly leveraged;
- limit the Group's ability to borrow additional funds or raise equity capital in the future and increase the cost of any such additional financing; and
- restrict or limit the Group's ability to make distributions to its shareholders and/or significantly affect the value of the equity in the Company.

Any of these or other consequences or events could have a material adverse effect on the Group's ability to satisfy its debt obligations. The Group's ability to make payments on and refinance its indebtedness and fund working capital, capital expenditures and other expenses will depend on its future operating performance and ability to generate cash from operations. Its ability to generate cash from operations is subject, in large part, to general economic, competitive, legislative, and regulatory factors and other factors that are beyond its control. The Group may not be able to generate sufficient cash flow from operations nor obtain enough capital to service its debt or fund planned capital expenditures.

In the event of any foreclosure, dissolution, winding-up, liquidation, reorganisation, administration or other bankruptcy or insolvency proceeding ("insolvency" or any "insolvency proceeding") of the Company, the ordinary shares will be subordinated to secured and unsecured debt of the Company and any other claims mandatorily preferred by law. Furthermore, in the event of any insolvency of any of the Company's subsidiary companies, holders of such subsidiary companies' indebtedness, including holders of third-party debt which such subsidiary companies have guaranteed, and trade creditors of such subsidiary companies, will generally be entitled to payment of their claims from the assets of those subsidiary companies before any assets are made available for distribution to the Company. As such, the ordinary shares will be structurally subordinated to existing and future secured and unsecured creditors (including trade creditors) and holders of claims mandatorily preferred by law against the Company or other subsidiary companies through which the Company invests.

7.4.4 Failure to retain senior management or other key employees

The success of the Company and its ability to achieve its objectives will depend, to a significant extent, on the efforts, skills and judgement of the management team. Together, the members of the management team possess management, development, marketing, finance and administrative skills and experience that are important for the operation of the Company's business. The departure of any of such members from the Company, especially to competition, without adequate replacement may have a material adverse effect on the Company's results of operations, financial condition, and business prospects. There can be no assurance that measures to attract and retain suitable employees and executives (including members of the management team) will be successful. The ability of the Company to meet its operational requirements and the future growth and profitability of the Company may be adversely affected by a lack of management personnel.

In addition, the Company's future success depends, in part, on its ability to continue to identify, hire, develop, motivate and retain highly skilled personnel for all areas of the organisation, as well as the hotels. The Company's future performance depends on the continued support and continuing contributions of its management to execute its business plan and identify and pursue new opportunities. There can be no assurance that the Company would be able to maintain its culture if the composition of the management team were to involve or individuals were to depart. Competition for suitably qualified individuals with the relevant expertise in the Company's industry is intense. The loss of the support of any of the Company's key personnel, the inability to attract, retain and integrate qualified personnel, or delays in hiring required personnel could significantly delay or prevent the achievement of the Company's development and strategic objectives, and could negatively impact the Company's business, results of operations, financial condition and prospects. In addition, to the extent the Company hires personnel from its competitors it may be subject to allegations that they have been improperly solicited, that they have divulged proprietary or other confidential information, or that their former employers own their investment ideas or other work product. This also means that the Company may be unable to prevent its competitors from benefiting from the expertise of such former employees, which could materially and adversely affect the Company's business and results of operations.

7.4.5 Management's success in achieving the Company's investment objectives

No assurance can be given that the implementation of the investing policy, and achieving the Company's investment objectives, will be successful under current or future market conditions. The investment approach employed by the Company may be modified and altered from time to time, so it is possible that the approach adopted by the Company to implement the investing policy and achieve the Company's investment objective in the future may be different from the approach currently used and disclosed in this document.

7.4.6 Past or current performance of the management team is not a guarantee of the future performance of the Company

The past performance of the management team or of the investments for which they had responsibility should not be construed as an indication of the future performance of any investments recommended, directly or indirectly, by the members of the management team to the Board of Directors. There are differences between the circumstances referable to the investments for which they had responsibility and the circumstances that will be applicable to the Company including, among other things, the significant differences in economic conditions. There are also differences between the circumstances referable to the investments made and/or managed by the management team and the circumstances which will be applicable to the Company (including among others, the Company's listed status and significant differences in economic conditions). These differences may affect the ability of the Company to implement the investing policy and realise its investment objectives and could adversely impact the Company's net operating income, results of operations, financial condition, ability to pay dividends and business prospects.

7.4.7 The Group's balance sheet and income statement may be significantly affected by fluctuations in the fair market value of its properties as a result of revaluations

The real estate assets held by the Group are independently revalued at least annually in accordance with IFRSs and any increase in the value of these assets will be recorded as a revaluation gain in the Group's consolidated other comprehensive income for the period during which the revaluation occurs. Any decreases in the value of the assets that offset previous increases of the same assets are charged against the reserve, while all other decreases are charged to the consolidated profit or loss statement. As a result, the Group may have significant non-cash losses from period to period depending on the change in fair market value of the real estate assets directly or indirectly held by the Group, whether or not such assets are sold. If the Group has incurred debt, over the longer term, revaluation losses could lead to non-compliance with covenants under the debt obligations. A substantial decrease in the fair market value of the real estate assets, over the longer term, could have a material adverse effect on the Group's business, financial condition and results of operations and could negatively affect the value of the ordinary shares and the level of dividends. Moreover, the use of borrowings or other leverage by the Group may increase the volatility of such financial performance and amplify the effect of any change in the valuation of the real estate assets on its financial position and results of operations.

7.4.8 Legal and regulatory risks

7.4.8.1 Legal risk

Legal risk is the risk of monetary loss, interruption of the Group's operations or any other negative development arising from the possibility of non-implementation or breach of legal contracts and, consequently, legal actions.

The Group may, from time to time, become involved in litigation or arbitration or claims, either against third parties or against the Group, which may divert management's attention from the operation of the business, and which may result in the payment of significant amounts of compensation, which could have a material adverse effect on the Group's financial results.

7.4.8.2 Regulatory risk

Regulatory risk is the risk of monetary loss, including loss from fines and other penalties, resulting from failure to comply with state laws and regulations.

The Group, which operates mainly in the hotel industry, is subject to compliance with health and safety laws and regulations, which may form the basis for liabilities to third parties resulting from personal or other types of losses. Failure to comply with the above may result in the imposition of fines and/or suspension/cancellation of licences, and could have a material adverse effect on the Group's financial results and prospects.

In addition, the Group will not always be able to accurately predict the impact on its financial condition, results of operations and prospects due to the implementation of a new law or regulation, or from any changes in the way the authorities interpret and apply an existing law or regulation. Changes in governmental policies, legislation and in the regulatory framework, or changes in the way the authorities may interpret and apply them (at a national or at a European Union level), may be applied retrospectively and could have, among others, a material adverse effect on the Group's financial results and prospects.

The failure by the Company or its subsidiaries to manage their exposure to such risks could result in penalties, administrative fines, or other sanctions. The failure to manage the regulatory risks, could materially adversely affect the Company's business, financial condition, and results of operations.

7.4.9 Political risks

The political environment is one that is extremely complex to calculate. Such instabilities or political decisions can adversely affect the business sector in which the Company operates (i.e., tourism, construction sector, golf policies, holidays home purchases). In Cyprus, the present political environment is stable, and the democratic decision making is functional.

7.4.10 Risk associated with third party service providers

The Company relies on third parties to provide several important services in connection with the business, and any disruption to the provision of these services could materially and adversely affect the Company's business and results of the operations.

7.4.11 The Company is a recently formed entity

The Company has limited operating or financial history. As a result, investors have only a very limited basis on which to evaluate the Company's ability to apply its investing policy and achieve its investment objectives. Although the members of the management team have significant investment experience, the Company was incorporated on 16 October 2018 and a significant portion of its investments have been made in the last 30 months. Therefore, there is only limited operating or financial information that investors can use to evaluate the Company, its prospects or its ability to achieve its investment objectives. Companies in their initial stages of development present substantial business and financial risks and may suffer significant losses. While the Company has financial controls and reporting systems and procedures to support its governance, reporting and disclosure obligations as a publicly traded company, as a recently incorporated entity, these have yet to be tested and there is no certainty that they will function as designed in the long term. Any failure in managing its financial controls, reporting systems or procedures could have a material adverse effect on the Company's business, results of operations, financial condition, ability to pay dividends and prospects.

7.4.12 Changes in the tax regime

Changes in corporate and other tax regulations may result in a retrospective or a prospective negative effect on the Group's results of operations and financial condition.

7.5 RISKS RELATING TO SHARES

7.5.1 Admission of the Company's ordinary shares on the Emerging Companies Market of the CSE

The application for admission to trading of the Company's ordinary shares on the CSE concerns the Emerging Companies Market (ECM), a non-regulated market and which constitutes a Multilateral Trading Facility as defined and described in the Investment Services and Activities and Regulated Markets Law of 2017, L.87(I)/2017 (as amended), and to which usually apply for admission emerging or smaller-sized companies than the companies listed on the regulated markets of the CSE.

7.5.2 The Issuer's shares are not a suitable investment for all investors

Each potential investor should assess the appropriateness of an investment in securities on a non-regulated market known as the ECM of the CSE, taking into account their specific characteristics.

Specifically, any potential investor should:

- have the necessary knowledge and experience so as to be able to carry out a meaningful evaluation and understanding of risks inherent in such an investment, in the context of his/her economic situation, the investment in the shares of the Company and the impact of such an investment in his/her total portfolio,
- have sufficient financial resources and liquidity in order to be able to bear all the risks of his investment,
- acknowledge that he may not be able to sell his shares for a long time or at all, and
- be able to evaluate (either himself or through financial advisers) possible scenarios regarding the factors that may affect his investment like the wider economic environment, or other factors, and his ability to take risks contained in his investment.

7.5.3 Changes in the stock price

Stock markets worldwide may be affected at any time by significant changes in terms of stock prices and volume. The price of the Issuer's shares can fluctuate due to the aforementioned changes and not because these changes are connected directly with the business and prospects of the Company. The general economic, political and stock market conditions, such as economic recession, fluctuations in interest and exchange rates, may significantly affect the price and demand for the shares of the Company.

In addition, the financial results of the Company may, during some periods, deviate significantly from the expectations of investors and analysts. Each of these factors may result in the fall of the Company's share price. Failure of the investors to immediately and effectively evaluate the financial results and prospects of the Company may result in significant fluctuations of the Company's market price. Moreover, the velocity of the Company's shares may be low as a result of the relevant low trading volume of the CSE compared to other international markets. As a result, there can be no assurance that the shares of the Company may not trade on the CSE at a lower price than the admission price.

Other factors which may cause significant deviations in the share price include but are not limited to:

- facts or claims which may negatively affect the credibility of the Company,
- the course of the Cyprus economy,
- significant fluctuations in the stock markets in general, in terms of both the share prices and the volume of transactions,
- instability or military conflict in Cyprus or abroad, for example the war in Ukraine,
- terrorist acts with wider implications in the international and local capital market,
- the overall state of the capital markets,
- changes in the investor interest and in the velocity of the Company's share as a result of changes in the volume of transactions.

7.5.4 The Cyprus Stock Exchange is less liquid and more volatile than other stock exchanges

Upon approval of the application of the Company for listing of its ordinary shares on the CSE, the Company's shares will be traded on the ECM. The CSE is less liquid than other major stock markets elsewhere in Europe and the United States. Consequently, the ordinary shareholders of the Company may face difficulties in selling their shares, especially in large blocks. The market price of Company's shares may be adversely affected by any sale of significant number of shares after the Company's admission on the ECM Market of the CSE or by the perception that such sale could occur. In the past, the market prices of shares listed on the CSE have experienced significant fluctuations. This has affected in the past and may affect in the future the market price and the liquidity of the shares of companies listed on the CSE, including the shares of the Company.

7.5.5 The Company may not be in a position to distribute dividends

Due to the nature of its activities as well as the fact that most of the Group's operations are subject to seasonal fluctuations, the dividend policy of the Company is determined every year by the Board of Directors, after taking into consideration the Group's financial results, ongoing financial position, funding requirements, capital expenditure, development projects, profitability prospects and all applicable laws and tax considerations.

The distribution of dividends is subject to the availability of sufficient reserves for distribution as per the audited financial statements of the Company, which are prepared in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the European Union, and the requirements of the Cyprus Companies Law, Cap. 113.

7.5.6 Shareholders whose principal currency is not the Euro may be subject to exchange rate risk

The Company's shares are denominated in Euro and will be quoted in Euro on the Cyprus Stock Exchange. Any dividends to be paid in respect of the Company's shares will be denominated in Euro. Accordingly, any investor whose principal currency is not the Euro is exposed to foreign currency exchange rate risk, which may reduce the value of the shares as well as the value of any dividends paid by the Company.

7.5.7 An active market for the shares of the Company may fail to develop

There can be no assurance that an active trading market will develop or be sustained following the completion of the admission to listing of the Company's shares. The admission to listing should not be taken as implying that there will be a liquid market for the shares of the Company. If an active trading market for the shares of the Company does not develop, shareholders may not be able to sell their shares at or above the market price of the shares at the time of admission to listing. As a result, shareholders could lose all or part of their investment in the Company's shares.

7.5.8 The Company's ability to pay distributions to shareholders will, in part, depend on the availability and upstream payment of cash to the Company

It is likely that the Company will hold its investments indirectly through intermediate and asset holding entities. The Company therefore may not directly receive cash generated by the underlying assets and may be reliant on the upstream distribution of cash or intercompany loan payments from intermediate and asset owning entities.

The ability of intermediate and asset owning entities to make upstream cash distributions or loans to the Company is generally subject to applicable laws, such as entities' organisational documents, maintenance of capital rules, the terms of financing arrangements, accounting treatment and other factors. Applicable laws may require such entities to, among other things, comply with restrictions on the amounts distributed by way of dividend, capital and reserve maintenance principles or require them to obtain shareholder or court approval. Applicable laws may also restrict the making of any distribution, loan or other payment or the timing thereof.

There can be no assurance that the intermediate and asset owning entities will be able to comply with any laws or requirements, and therefore, cash payments may not be available to the Company, which would materially adversely affect the Company's ability to pay its liabilities as they fall due and/or make distributions to shareholders.

7.5.9 Non-adoption of Corporate Governance Code

The Company has not adopted and does not propose to adopt the Corporate Governance Code of the CSE in its entirety and is not subject to any legal and/or other regulatory provisions requiring it to maintain independent directors on its Board and/or to implement any particular governance requirements (other than those set out in the Company's Articles of Association).

8. TAX REGIME

The following is a general summary of certain tax aspects under Cypriot law as at the date of this Admission Document and does not purport to be a comprehensive description of all tax aspects relating to the acquisition, holding or disposal of shares. If any amendments are made to the Cypriot legislation, the existing provisions at the time will apply.

The shareholders of the Company or prospective investors should consult their own tax and other professional advisers as to the specific tax consequences of acquiring, holding and disposing of the shares.

8.1 TAX REGIME FOR THE COMPANY

Income Tax

The Company is registered in the Republic of Cyprus as a legal person (public company). It is a tax resident of the Republic of Cyprus and is taxed in accordance with the provisions of the tax laws in its worldwide income, taking into account certain exemptions. As of 1 January 2013, corporation tax in Cyprus is 12,5%.

Any activities of the Company in other countries are subject to tax in accordance with the tax laws of those countries taking also into consideration the provisions of any Agreements for the Avoidance of Double Taxation concluded between Cyprus and those other countries and the provisions of the Directives and Regulations of the European Union (EU).

Deemed Distribution Provisions

Companies, tax residents in Cyprus, which do not distribute at least 70% of their profits after tax, as defined by the Special Contribution for the Defence Law of Cyprus of 2002 (Law 117/(I)/2002) ("**Special Contribution for the Defence of the Republic Law** "), within two years after the end of the year to which the profits refer, will be deemed to have distributed this amount as a dividend. The special defence contribution, at a rate of 17% would be payable by the corporation on deemed dividends to the extent that its ultimate shareholders (individuals) are Cyprus tax residents and domiciled in Cyprus. Deemed distribution does not apply in respect of profits that are directly or indirectly attributable to shareholders that are non-Cyprus tax residents and individual shareholders who are not domiciled in Cyprus. The special defence contribution may also be payable on deemed dividends in case of liquidation or capital reduction of the corporation on any amount which exceeds the capital injected in the corporation. The corporation will debit such special defence contribution paid against the profits attributable to such shareholders. The amount of deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time up to the date of the deemed distribution. The special defence contribution is paid by the Company on account of the shareholders.

General Healthcare System ("GHS") contribution

From 1 March 2019, Cypriot corporations pay on behalf of their shareholders, who are natural persons and Cyprus tax residents, a contribution on deemed dividends to the General Healthcare System. From 1 March 2019 the GHS contribution was 1,70% and from 1 March 2020 the contribution increased to 2,65%, with the exemption of the period from April 2020 to June 2020 when the applicable contribution rate was 1,70%.

In case where the emoluments, pensions and other income of Cypriot tax resident individuals, exceed €180.000 per annum, GHS contribution is payable only on the maximum amount of €180.000. Investors should seek advice from a specialist tax advisor in relation to this matter.

8.2 TAX REGIME FOR INVESTORS

It is noted that the tax treatment for investment income of any investor is subject to a number of factors and parameters and investors should seek advice from a specialist tax advisor.

Generally, income tax is levied in Cyprus on the worldwide income of persons considered to be tax resident in Cyprus. With certain exceptions, persons who are not resident in Cyprus and who do not carry on a business in Cyprus are not subject to Cypriot income tax.

8.2.1 Taxation of Dividends

Dividends distributed by Cyprus tax resident corporations are subject to the Special Contribution for the Defence Law of Cyprus and the General Healthcare System Law of 2001 (Law 89(I)/2001) ("**General Healthcare System Law**"). Taxation depends on the tax status of the recipient of the dividend. In case of taxation, a special defence contribution is levied at the rate of 17% and a GHS contribution is levied at the rate of 2,65%.

In case where the emoluments, pensions and other income of Cypriot tax resident individuals, exceed €180.000 per annum, GHS contribution is payable only on the maximum amount of €180.000. Investors should seek advice from a specialist tax advisor in relation to this matter.

Cyprus Tax Residents - Corporations

Dividends distributed by Cyprus tax resident corporations to other Cyprus tax resident corporations are exempt from tax, in cases where the profits from which such dividends are derived were not subjected to the deemed distribution provisions of the legislation. The exemption does not apply in the case where such dividends are paid indirectly (through a structure of group companies resident in Cyprus), after the end of four (4) years from the end of the year in which these profits emanate.

A Cyprus tax resident corporation is a corporation whose management and control are exercised in Cyprus or with effect from 31 December 2022, a company which is incorporated or registered in Cyprus, whose management and control is exercised outside Cyprus, so long as it is not tax resident in any other state.

Cyprus Tax Residents – Natural persons

Dividends distributed by Cyprus tax resident corporations to Cyprus tax residents who are domiciled or have a domicile of choice in Cyprus are subject to special defence contribution which is levied at the tax rate which is in force at the time, currently at 17%. The special defence contribution on such dividends is withheld by the company paying the dividend at the time the dividend is paid.

Payment of dividends to individuals who are tax residents in Cyprus, regardless of their domicile status, are also subject to GHS contribution, currently at 2,65%. The GHS contribution on such dividends is withheld by the company paying the dividend at the time the dividend is paid.

In case where the emoluments, pensions and other income of Cypriot tax resident individuals, exceed €180.000 per annum, GHS contribution is payable only on the maximum amount of €180.000. Investors should seek advice from a specialist tax advisor in relation to this matter.

In case where the recipient is a natural person, such person should submit to the Company, whenever their tax residency/ domicile status is changed, the relevant tax questionnaire in which he/she declares his/her tax residence and country of domicile.

Cyprus Tax Residents are:

(i) Individuals who stay in Cyprus for a period or periods exceeding in aggregate 183 days in the year of assessment; and

(ii) With effect from 1 January 2017, individuals who stay in Cyprus for a period of 60 days and, who satisfy the following criteria:

- the individual does not stay in any other country for one or more periods exceeding in aggregate 183 days in the same tax year;
- the individual is not a tax resident in any other country for the same tax year;
- the individual exercises any business in Cyprus and/or is employed in Cyprus and/or is an officer of a Cyprus tax resident person at any time during the relevant tax year; and provided that such is not terminated during the tax year; and
- the individual maintains a permanent residence in Cyprus (by owning or leasing the said residence).

Cyprus domiciled individuals

An individual is considered to have his/her domicile in Cyprus if:

a) subject to certain exceptions, if he/she has a domicile of origin in Cyprus based on the provisions of the Cyprus Wills and Succession Law, Cap.195, or

b) he/she has been a tax resident in Cyprus for at least 17 years out of the last 20 years immediately prior to the tax year of assessment.

Non-Cypriot Tax Residents

Dividends derived from Cyprus tax resident corporations and paid to non-Cyprus tax residents (natural or legal persons) are exempt from income tax, the special defence contribution in Cyprus and GHS contributions. In case where the recipient is a natural person, such person should submit to the Company, whenever their tax residency status is changed, the relevant tax questionnaire in which he/she declares his/her tax residence and country of domicile. In case where the recipient is a legal person, such person should not have an obligation to submit a tax questionnaire.

8.2.2 Taxation of Interest

Cyprus Tax Residents - Corporations

Payment of interest to companies who are tax residents in Cyprus, is subject to 30% special defence contribution, if such interest is not derived from the ordinary carrying on of its business and is not closely connected with the carrying on of its business or is received by a collective investment scheme.

In addition, the payment of interest to any local authority, government organisation, pension fund, provident fund and to the social insurance fund, is subject to 3% special defence contribution instead of 30%.

In cases where the interest income is considered to arise in the ordinary course of business or is closely related to activities in the ordinary course of business or is received by a collective investment scheme, it is taxed in accordance with the provisions of the Income Tax Law of 2002 (Law 118 (I)/2002) ("**Income Tax Law**") (subject to corporate income tax at the ordinary rate 12,5%) and should be exempt from 30% special defence contribution.

Cyprus Tax Residents – Natural persons

Interest received by Cyprus tax residents who are domiciled in Cyprus or have a domicile of choice in Cyprus (natural persons) is taxed in accordance with the provisions of the Special Contribution for the Defence Law and the General Healthcare System Law:

(a) 30% special defence contribution, if such interest is not derived from the ordinary carrying on of business or is not closely connected with the carrying on of business or is received by a collective investment scheme; and
(b) 2,65% GHS contribution.

The special defence contribution and GHS contribution on such interest is withheld by the company paying the interest at the time the interest is paid.

Individuals who are tax residents of Cyprus, whose total annual income (including any interest received) does not exceed €12.000 are entitled to a lower rate of special defence contribution, and any special defence tax in excess of the amount corresponding to 3% on the interest income may be claimed as refund from the Cyprus Tax Authorities.

Interest received by individuals who are tax residents in Cyprus, regardless of their domicile status, is subject to GHS contribution, currently at 2,65%. The GHS contribution on such interest is withheld by the company paying the interest at the time the interest is paid.

In case where the emoluments, pensions and other income of Cypriot tax resident individuals, exceed €180.000 per annum, GHS contribution is payable only on the maximum amount of €180.000. Investors should seek advice from a specialist tax advisor in relation to this matter.

Non-Cypriot Tax Residents

Interest received by non-tax residents of Cyprus (both natural and legal persons) should not be subject to tax in Cyprus (Income Tax, Special Defence Contribution and GHS contribution).

8.2.3 Taxation of Gains on Disposal of Shares which are Listed on the CSE

Any gains from the disposal of shares and other companies' titles which are listed on the CSE are exempt from taxation in Cyprus (Corporate Income Tax and Capital Gains Tax).

8.2.4 Excise Duty on CSE transactions

Since 1st January 2014, transactions made on the CSE or announced on the CSE, are not subject to excise duty on stock exchange transactions.

8.2.5 Stamp Duty

According to the provisions of the Stamp Duty Law of 1963 (Law 19/1963) ("**SD Law**"), every document specified in the First Schedule of the SD Law shall be chargeable to duty on its value equal to the amount specified in the said Schedule if it relates to any asset situated in the Republic or to matters or things which shall be performed or done in the Republic irrespective of the place where the document is concluded.

For agreements/contracts and all documents which form an agreement the first schedule of the Law provides for a stamp duty on the value of these agreements as follows:

Value of Agreement/Contract	**Stamp Duty rate**
€	%
0 – 5.000	0
5.001 – 170.000	1,5
Over 170.000	2,0

Stamp duty is capped to the amount of €20.000 on every agreement/contract. Each supplementary agreement to the primary agreement, is subject to a stamp duty charge of €2, per such agreement.

The sale or transfer of the shares (whether executed by Cyprus or non-Cyprus tax residents), should not be subject to stamp duty in Cyprus, since the shares will be listed on the CSE.

9. FINANCIAL INFORMATION

The interim condensed financial statements for the six-month period ended June 2023 and the audited consolidated financial statements of the Group for the years ended 31 December 2022 and 31 December 2021 are enclosed as Appendix A of this Admission Document.

The net asset value of the Issuer as at 30 June 2023 is €386.869.890. The net asset value of the Issuer based on the audited consolidated financial statements of the Group for the year ended 31 December 2022 was €422.684.358.

The interim condensed financial statements of the Issuer:

(i) have been prepared in accordance with the International Accounting Standard 34; and

(ii) have been reviewed by a recognized audit firm based on International Standard on Review Engagements 2410.

The annual financial statements of the Issuer:

(i) have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, relating to the financial statements of companies, and in accordance with the International Financial Reporting Standards or other type set by a CSE Council decision;

(ii) have been audited by a recognized audit firm, in accordance with the International Standards on Auditing;

(iii) give a true and fair view of assets and liabilities, financial position and results of the Issuer, including its financial performance and cash flows; and

(iv) for the financial year preceding the listing, being the financial year ended 31 December 2022, there is no reservation or declaration of failure to express opinion or substantial uncertainty or any matter to which the investors' attention should be drawn to in the independent auditors' report.

10. FURTHER INFORMATION ON THE SHARES OF THE ISSUER

- There are no restrictions on the free transferability of securities.
- Other than as disclosed in Section 4.11– "Key provisions of the Articles of Association", the Company has not granted special rights to any shareholder or shareholders.
- The titles proposed for listing are fully paid.
- The dividend policy of the Issuer is to pay dividends as frequently as practicable and to the maximum extent possible after taking into consideration the Company's financial results, ongoing financial position, funding requirements and applicable laws and tax considerations.
- The listing application refers to all securities of the same class that have already been issued.

The Issuer:

- has been legally incorporated in accordance with the Cyprus Companies Law, Cap.113, and is a public limited liability company and has the power to issue shares to the public,
- has the power to issue the shares whose listing it seeks admission on the ECM Market of the CSE, in accordance with the applicable laws and regulations and its memorandum and articles of association,
- has no titles listed on a stock exchange abroad,
- is not bound against anyone in a manner which is incompatible with the interests of the holders of his shares,
- ensures equal treatment of the beneficiaries of the shares of the same category in relation to all rights or obligations relating thereto,
- ensures that any future issue of shares shall be offered initially to the existing shareholders in proportion to the percentage that each one of them holds in the Issuer's capital, unless the shareholders otherwise decide

by a Shareholder Supermajority Consent (being a decision passed by shareholders holding at least 75% of the ordinary shares in the Company).

11. OTHER INFORMATION ABOUT THE ISSUER

- The expected market capitalization of the Company's ordinary shares to be admitted, computed based on the proposed admission price and the number of ordinary shares in issue, is estimated at €386.926.117,68, divided into 120.200.720 shares with an initial trading price of €3,219.

- The Issuer is willing and able to deliver its Register to the Central Securities Depository and Central Registry and to fulfil any obligation thereof.

SIGNATURE

....

The Cyprus Investment and Securities Corporation Limited

Nominated Advisor

CISCO

Regulated by the Cyprus Securities and Exchange Commission CIF: 003/03

....

Charalambos Michael

Chief Executive Officer and Director of the Issuer

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

APPENDIX A: REPORTS AND FINANCIAL STATEMENTS OF THE GROUP

The Interim Financial Statements and the Audited Financial Statements are presented below.

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

REPORT AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2023 to 30 June 2023

MHV MEDITERRANEAN HOSPITALITY VENTURE PLC

REPORT AND UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
Period from 1 January 2023 to 30 June 2023

CONTENTS

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Aristotelis Karytinos Christophoros Papachristophorou Athanasios Karagiannis Alon Bar Charalambos Michael Alexios Pipilis Achilleas Dorotheou
Company Secretary	Themis Secretarial Services Limited
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors 27 Spyrou Kyprianou Ave., 4003 Mesa Yitonia Limassol Cyprus
Registered office	Kyriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites 1082 Nicosia Cyprus

INTERIM MANAGEMENT REPORT

The Board of Directors of MHV Mediterranean Hospitality Venture Plc (the "Company") presents to the members its Interim Management Report and the unaudited interim condensed consolidated financial statements of the Company and its subsidiaries (together referred to as "the Group"), for the period from 1 January 2023 to 30 June 2023.

Principal activities and nature of operations of the Group
The principal activities of the Group remained unchanged from last year. The Group acquires, repositions, manages as well as develops prime real estate assets in exclusive locations across the hospitality, residential and commercial sectors in Cyprus, Greece and the Mediterranean. The Group is also active in retail through its subsidiary MHV Lifestyle Limited.

The Group currently owns, develops and/or operates the following assets:

The Landmark Hotel in Nicosia Cyprus through its subsidiary, The Cyprus Tourism Development Company Limited.

The Parklane, a Luxury Collection Resort & Spa in Limassol Cyprus and the Park Tower which consists of 20 luxury apartments in Limassol Cyprus, through its subsidiary Parklane Hotels Limited.

Aphrodite Hills Resort in Paphos Cyprus (investment in joint venture), which includes a 5-star hotel, golf course, club, tennis and spa, through its subsidiary Aphrodite Hills Resort Limited. Among the activities of this sub - group is the development and sale of real estate in Aphrodite Hills and the provision of management, rental and other services to Aphrodite Hills homeowners and residents.

Nikki Beach Hotel in Porto Heli in Argolida Greece, through the subsidiary Porto Heli Hotel & Marina S.A.

The "Mare e Sabbia" boutique on the premises of the Parklane, a Luxury Collection Resort & Spa, Limassol, through its subsidiary MHV Lifestyle Limited.

The Group also owns a residential building complex in the district of Pyrgos, Limassol, which is used for the accommodation of Parklane Hotel staff. The property is owned by the subsidiary Stromay Holdings Limited.

Finally, the Group's subsidiary MHV Bluekey One Single Member S.A. has purchased part of the Hotel Porto Paros in Paros Greece. There are agreements in place to acquire the 100% share of this hotel and the relevant purchase price has already been prepaid. These are currently shown in prepayments until the procedures are completed and the legal title deeds are transferred to the subsidiary.

Change of Company name
On 25 August 2023, the Company changed its name from MHV Mediterranean Hospitality Venture Limited to MHV Mediterranean Hospitality Venture Plc.

Changes in group structure
On 31 March 2023, Yoda Plc transferred its 42,5% shareholding (both ordinary and redeemable preference shares) in the Group to its affiliated entity, Ascetico Limited. From that date, Ascetico Limited holds 55% of the Group.

Review of current position and performance of the Group's business
The net loss for the period attributable to the shareholders of the Group amounted to €8.365.896 (2022: €9.910.243). On 30 June 2023 the total assets of the Group were €550.263.263 (31.12.2022: €562.877.185) and the net assets of the Group were €386.869.890 (31.12.2022: €422.684.358). The financial position, development and performance of the Group as presented in these interim condensed consolidated financial statements are considered satisfactory.

During the six-month period ended 30 June 2023 the revenue of the Group amounted to €23.858.587 compared to €34.401.613 for the six-month period ended 30 June 2022. The decrease of €10.543.026 is mainly due to the decrease of €3.871.086 and €5.943.705 in revenue from property management and real estate development respectively.

It is noted that the two periods are not comparable as the Group did not consolidate the results of the subsidiary Aphrodite Hills Resorts Limited for the six-month period ended 30 June 2023, after the sale of a 50% stake in said subsidiary in November 2022.

INTERIM MANAGEMENT REPORT

The operating loss decreased by €5.698.107 from (€10.017.219) for the six-month period ended 30 June 2023 to (€4.319.112) for the six-month period ended 30 June 2022, mainly due to the following:

• the increase in the gross profit by €2.088.529, mainly as a result of the decrease in Group's cost of sales,
• the decrease in general and administration expenses by €4.192.896, which is mainly driven by the decrease in such expenses due to the sale of the Company's 50% stake in Aphrodite Hills Resort Limited, which is not consolidated in the Interim Condensed Consolidated Financial Statements, and
• the reversal of net other gains of €703.185 and turn into net other losses of €316.324, which comprise of impairment charge on land and buildings.

Net finance costs increased by €871.671, from €2.015.874 for the six-month period ended 30 June 2022 to €2.887.545 for the six-month period ended 30 June 2023, mainly due to the increase in the interest rates on the Group's loan facilities.

Other comprehensive income for the period ended 30 June 2023 decreased by €12.390.684, from €9.942.109 for the six-month period to 30 June 2022 to (€2.448.575) mainly due to the revaluation loss on land and buildings.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in notes 5 and 16 of the interim condensed consolidated financial statements.

Share capital
During the period there were changes in the share capital of the Group, as reported in note 14 of the interim condensed consolidated financial statements.

Board of Directors
The members of the Board of Directors as at 30 June 2023 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2023 to 30 June 2023.

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

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

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 19 to the interim condensed consolidated financial statements.

By order of the Board of Directors,

THEMIS SECRETARIAL SERVICES LIMITED

Themis Secretarial Services Limited
Secretary

Limassol, 28 September 2023

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Building a better working world

Report on review of interim condensed consolidated financial statements

To the Members of MHV Mediterranean Hospitality Venture Plc

Introduction

We have reviewed the interim condensed consolidated financial statements of MHV Mediterranean Hospitality Venture Plc (the "Company") and its subsidiaries (the "Group"), which are presented in pages 5 to 34 and comprise the interim condensed consolidated statement of financial position as at 30 June 2023, and the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 1 January 2023 to 30 June 2023. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 'Interim Financial Reporting' (IAS 34) as adopted by the European Union. 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

ERNST & YOUNG CYPRUS LTD

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Limassol, 28 September 2023

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2023 to 30 June 2023

	Note	**01/01/2023-30/06/2023 €**	01/01/2022-30/06/2022 €
Revenue	7	**23.858.587**	34.401.613
Cost of sales	8	**(20.795.231)**	(33.426.786)
Gross profit		**3.063.356**	974.827
Other income		**842.654**	406.463
General and administration expenses		**(7.908.798)**	(12.101.694)
Other losses/ (gains) - net		**(316.324)**	703.185
Operating loss		**(4.319.112)**	(10.017.219)
Finance income		**175.870**	-
Finance costs		**(3.063.415)**	(2.015.874)
Net finance costs		**(2.887.545)**	(2.015.874)
Share of results of associates		**-**	88.902
Share of loss from joint venture	11	**(892.659)**	-
Loss before tax		**(8.099.315)**	(11.944.191)
Tax		**(266.581)**	2.033.948
Net loss for the period		**(8.365.896)**	(9.910.243)
Other comprehensive income			
Revaluation (loss)/gain on land and buildings	9	**(3.204.333)**	12.885.891
Deferred taxation on revaluation of land		**312.097**	(2.943.782)
Share of other comprehensive income from joint venture	11	**443.661**	-
Other comprehensive (loss)/ income for the period		**(2.448.575)**	9.942.109
Total comprehensive (loss)/ income for the period		**(10.814.471)**	31.866

Total comprehensive income for the period ended 30 June 2022 includes on line-by-line basis also the six month result of Aphrodite Hills Resort Limited sub-group which after the 50% sale, on 24 November 2022, was reclassified to investments in joint ventures based on its fair value of net assets retained at the date of sale (Note 11). During the period ended 30 June 2023, the Group presents its share of loss from joint venture as a single line.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2023

	Note	30/06/2023 €	31/12/2022 €
ASSETS			
Non-current assets			
Property, plant and equipment	9	**382.181.386**	382.660.863
Right-of-use assets		**2.146.858**	2.263.067
Intangible assets		**3.738.470**	3.818.160
Investments in joint ventures	11	**26.572.912**	26.374.913
Trade and other receivables		**35.372.257**	34.336.171
Deferred tax assets		**2.879.372**	2.784.555
		452.891.254	452.237.729
Current assets			
Inventories	12	**72.566.694**	67.401.865
Trade and other receivables		**7.066.061**	5.873.129
Financial assets at fair value through profit or loss		**1.001**	1.001
Cash at bank and in hand	13	**17.738.252**	37.363.461
		97.372.008	110.639.456
Total assets		**550.263.263**	562.877.185
EQUITY AND LIABILITIES			
Equity			
Ordinary shares - share capital	14	**720**	720
Ordinary shares - share premium	14	**103.684.313**	103.684.313
Redeemable preference shares - share capital	14	**120.200**	145.200
Redeemable preference shares - share premium	14	**120.079.800**	145.054.800
Other reserves		**116.360.511**	118.809.086
Retained earnings		**46.624.346**	54.990.239
Total equity		**386.869.890**	422.684.358
Non-current liabilities			
Borrowings	15	**73.429.352**	74.887.410
Lease liabilities		**2.200.421**	2.304.919
Deferred tax liabilities		**31.547.242**	31.871.776
Government grants		**3.014.632**	3.100.397
		110.191.648	112.164.502

The notes on pages 12 to 34 form an integral part of these interim condensed consolidated financial statements.

	Note	30/06/2023 €	31/12/2022 €
Current liabilities			
Trade and other payables		**35.446.172**	12.143.895
Government grants		**129.000**	129.000
Bank overdrafts	13	**1.998.190**	-
Borrowings	15	**5.584.895**	5.471.491
Lease liabilities		**156.835**	102.769
Deferred consideration		**9.841.480**	9.681.975
Current tax liabilities		**45.152**	499.195
		53.201.725	28.028.325
Total liabilities		**163.393.373**	140.192.827
Total equity and liabilities		**550.263.263**	562.877.185

On 28 September 2023 the Board of Directors of MHV Mediterranean Hospitality Venture Plc authorised these interim condensed consolidated financial statements for issue.

....
Charalambos Michael
Director

....
Achilleas Dorotheou
Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2023 to 30 June 2023

	Note	Ordinary share capital €	Preference share capital €	Share premium €	Revaluation reserve €	Retained earnings €	Total €
Balance at 1 January 2022		**720**	**185.200**	**288.699.113**	**19.242.217**	**47.549.918**	**355.677.168**
Comprehensive income							
Net loss for the period		-	-	-	-	(9.910.243)	(9.910.243)
Other comprehensive income for the period		-	-	-	9.942.109	-	-
Total comprehensive income for the period		-	-	-	9.942.109	(9.910.243)	31.866
Transactions with owners							
Redemption of redeemable shares during the period	14	-	(40.000)	(39.960.000)	-	-	(40.000.000)
Total transactions with owners		-	(40.000)	(39.960.000)	-	-	(40.000.000)
Balance at 30 June 2022		**720**	**145.200**	**248.739.113**	**29.184.326**	**37.639.675**	**315.709.034**
Balance at 1 January 2023		**720**	**145.200**	**248.739.113**	**118.809.086**	**54.990.239**	**422.684.358**
Comprehensive income							
Net loss for the period		-	-	-	-	(8.365.896)	(8.365.896)
Other comprehensive loss for the period		-	-	-	(2.448.575)	-	-
Total comprehensive loss for the period		-	-	-	(2.448.575)	(8.365.896)	(10.814.471)
Transactions with owners							
Redemption of redeemable shares during the period	14	-	(25.000)	(24.975.000)	-	-	(25.000.000)
Total transactions with owners		-	(25.000)	(24.975.000)	-	-	(25.000.000)
Balance at 30 June 2023		**720**	**120.200**	**223.764.113**	**116.360.511**	**46.624.346**	**386.869.890**

Share premium is not available for distribution.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period from 1 January 2023 to 30 June 2023

The revaluation reserve for land and buildings arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the properties revaluation reserve that relates to that asset, and that is effectively realised, is transferred directly to retained earnings.

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Period from 1 January 2023 to 30 June 2023

	Note	**01/01/2023-30/06/2023 €**	01/01/2022-30/06/2022 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(8.099.315)**	(11.944.191)
Adjustments for:			
Depreciation of property, plant and equipment	9	**3.597.742**	3.335.054
Depreciation of right-of-use assets		**116.208**	356.827
Unrealised exchange loss		**-**	1.189
Amortisation of intangible assets		**79.690**	525.237
Share of profit from associates		**-**	(88.902)
Share of loss from joint ventures	11	**892.659**	-
Profit from the sale of property, plant and equipment		**-**	(52.160)
Impairment charge / (Reversal of impairment loss) on buildings	9	**316.324**	(703.185)
Impairment charge - intangible assets		**-**	1.469.098
Fair value gains - investment property		**-**	(100.000)
Interest income		**(7.004)**	-
Interest expense on lease liabilities		**41.968**	13.846
Interest expense on bank loans	15	**2.427.541**	1.466.592
Effective interest income on deferred consideration for the sale of Aphrodite Hills sub-group		**(168.866)**	-
Effective interest expense on deferred consideration of the acqusition of Parklane Hotels Limited		**159.505**	-
Finance expenses		**319.372**	439.975
Amortisation of arrangement fees	15	**115.003**	94.272
		(209.173)	(5.186.348)
Changes in working capital:			
(Increase)/decrease in inventories		**(5.164.829)**	4.888.690
(Increase)/decrease in trade and other receivables		**(2.707.148)**	20.671.116
Increase/(Decrease) in trade and other payables		**23.096.002**	(10.560.407)
Cash generated from operations		**15.014.852**	9.813.051
Tax paid		**(373.835)**	-
Net cash generated from operating activities		**14.641.017**	9.813.051
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	9	**(7.344.818)**	(46.737.308)
Dividends received from associate		**-**	92.454
Net cash used in investing activities		**(7.344.818)**	(46.644.854)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments on redemption of redeemable shares	14	**(25.000.000)**	(40.000.000)
Repayments of borrowings	15	**(1.590.900)**	(9.386.761)
Proceeds from borrowings	15	**-**	30.500.000
Payments of leases liabilities		**(32.400)**	(326.272)
Interest paid	15	**(2.259.121)**	(1.643.560)
Payment of loan arrangement fees	15	**(37.177)**	(1.811.318)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Period from 1 January 2023 to 30 June 2023

	Note	**01/01/2023-30/06/2023 €**	01/01/2022-30/06/2022 €
Net cash used in financing activities		**(28.919.598)**	(22.667.911)
Net decrease in cash and cash equivalents		**(21.623.399)**	(59.499.714)
Cash and cash equivalents at beginning of the period		**37.363.461**	92.752.411
Cash and cash equivalents at end of the period	**13**	**15.740.062**	33.252.697

The notes on pages 12 to 34 form an integral part of these interim condensed consolidated financial statements.

1. Corporate information

Country of incorporation

MHV Mediterranean Hospitality Venture Plc (the "Company") was incorporated in Cyprus on 16 October 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Kyriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites, 1082 Nicosia, Cyprus.

Change of Company name

On 25 August 2023, the Company changed its name from MHV Mediterranean Hospitality Venture Limited to MHV Mediterranean Hospitality Venture Plc.

Unaudited financial statements

The interim condensed consolidated financial statements for the six months period ended on 30 June 2022 and 2023 respectively, have not been audited by the external auditors of the Company.

Principal activities

The principal activities of the Group remained unchanged from last year. The Group acquires, repositions, manages as well as develops prime real estate assets in exclusive locations across the hospitality, residential and commercial sectors in Cyprus, Greece and the Mediterranean. The Group is also active in retail through its subsidiary MHV Lifestyle Limited.

The Group currently owns, develops and/or operates the following assets:

The Landmark Hotel in Nicosia Cyprus through its subsidiary, The Cyprus Tourism Development Company Limited.

The Parklane, a Luxury Collection Resort & Spa in Limassol Cyprus and the Park Tower which consists of 20 luxury apartments in Limassol Cyprus, through its subsidiary Parklane Hotels Limited.

Aphrodite Hills Resort in Paphos Cyprus (investment in joint venture), which includes a 5-star hotel, golf course, club, tennis and spa, through its subsidiary Aphrodite Hills Resort Limited. Among the activities of this sub - group is the development and sale of real estate in Aphrodite Hills and the provision of management, rental and other services to Aphrodite Hills homeowners and residents.

Nikki Beach Hotel in Porto Heli in Argolida Greece, through the subsidiary Porto Heli Hotel & Marina S.A.

The "Mare e Sabbia" boutique on the premises of the Parklane, a Luxury Collection Resort & Spa, Limassol, through its subsidiary MHV Lifestyle Limited.

The Group also owns a residential building complex in the district of Pyrgos, Limassol, which is used for the accommodation of Parklane Hotel staff. The property is owned by the subsidiary Stromay Holdings Limited.

Finally, the Group's subsidiary MHV Bluekey One Single Member S.A. has purchased part of the Hotel Porto Paros in Paros Greece. There are agreements in place to acquire the 100% share of this hotel and the relevant purchase price has already been prepaid. These are currently shown in prepayments until the procedures are completed and the legal title deeds are transferred to the subsidiary.

2. Basis of preparation

These interim condensed consolidated financial statements for the six month period ended 30 June 2023 have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union (EU). The interim condensed consolidated financial statements do not include all the information and disclosures that are required for the annual financial statements and must be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap.113.

3. Accounting policies

The Group has adopted all applicable new and revised International Financial Reporting Standards (IFRS) and the Amendments to IFRS as issued by the International Accounting Standards Board and adopted by the EU, as well as the Interpretations as issued by the International Financial Reporting Interpretations Committee and adopted by the EU, that relate to the Group's operations and are effective 1 January 2023.

None of these had a significant impact on the Group's interim condensed financial statements. The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2022. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. New accounting pronouncements

At the date of approval of these interim condensed consolidated financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the interim condensed consolidated financial statements of the Group.

5. Critical accounting estimates, judgments and assumptions

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

In preparing its interim condensed consolidated financial statements the significant estimates made by the Management of the Group for the implementation of the Group's accounting policies and significant estimates and assumptions were applied as in the consolidated financial statements for the year ended 31 December 2022.

6. Fair value measurement

All assets, liabilities and equity items for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. Fair value measurement (continued)

The fair value of property, plant and equipment has been determined by external independent property appraisers who have the appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The most recent external valuations were performed on 30 June 2023, with the exception of the part of the Hotel Porto Paros, acquired by the subsidiary MHV Bluekey One Single Member S.A. This hotel is not currently in use by the Group due to certain disputes with the ex owners and the Management estimated that its fair value as at 30 June 2023 aprroximates its carrying amount of €34.832.659.

The calculation of fair value for all properties has been categorized in Level 3 of fair value based on the data used in the appraisal technique.

Transfers between levels

There have been no transfers between different levels during the period.

6. Fair value measurement (continued)

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 30 June 2023 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Property, Plant and Equipment					
Land building Coefficient	77.800.000	Sales comparison approach - Income/ Discounted cash flow approach	Discount rate	11,7%	The higher, the lower the fair value
			Average selling price	€18.200 per sq.m.	The higher, the higher the fair value
			Average construction cost	€3.800 per sq.m	The higher, the lower the fair value
Hotels	255.667.782	Income capitalization method/ Discounted Cash Flow Analysis	Occupancy rate	35% - 75%	The higher, the higher the fair value
			Average room rate	€189 - €454	The higher, the higher the fair value
			Discount rate	9,9% - 10,4%	The higher, the lower the fair value
Land under development	5.550.000	Sales comparison approach	Average selling price - residential plot	€5.280 per sq.m.	The higher, the higher the fair value
			Average selling price - commercial plot	€246 per sq.m.	The higher, the higher the fair value
			Average selling price - empty plot	€128 per sq.m.	The higher, the higher the fair value

6. Fair value measurement (continued)

Description	Fair value at 30 June 2023 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Residential properties	8.228.000	20% Depreciated Replacement Cost and 80% Discounted Cash Flow Analysis	Average purchase price of plot	€180 per sq.m.	The higher, the lower the fair value
			Average cost of construction per sq.m. - walled areas/covered areas	€1.500/€750 per sq.m.	The higher, the lower the fair value
			Average selling price per sq.m.	1st Floor: €3.440 - €3.540 2nd Floor: €3.700 - €3.800 Corner flats: 2% higher Common areas (kitchen) €3.000	The higher, the higher the fair value
			Discount rate	6,75%	The higher, the lower the fair value
Hotel Porto Paros	34.832.659	Purchase price			

6. Fair value measurement (continued)

Description	Fair value at 31 December 2022 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Property, Plant and Equipment					
Land building Coefficient	78.600.000	Sales comparison approach - Income / Discounted cash flow approach	Discount rate	11%	The higher, the lower the fair value
			Average selling price	€18.200 per sq.m.	The higher, the higher the fair value
			Average construction cost	€3.800 per sq.m	The higher, the lower the fair value
Hotels	254.738.092	Income capitalization method/ Discounted Cash Flow Analysis	Occupancy rate	44% - 74%	The higher, the higher the fair value
			Average room rate	€184 - €496	The higher, the higher the fair value
			Discount rate	9,4% - 10%	The higher, the lower the fair value
Land under development	5.430.000	Sales comparison approach	Average selling price - residential plot	€5.148 per sq.m.	The higher, the higher the fair value
			Average selling price - commercial plot	€242 per sq.m.	The higher, the higher the fair value
			Average selling price - empty plot	€127 per sq.m.	The higher, the higher the fair value

6. Fair value measurement (continued)

Description	Fair value at 31 December 2022 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Residential properties	8.246.000	20% Depreciated Replacement Cost and 80% Discounted Cash Flow Analysis	Average purchase price of plot	€180 per sq.m.	The higher, the lower the fair value
			Average cost of construction per sq.m. - walled areas/covered areas	€1.500/€750 per sq.m.	The higher, the lower the fair value
			Average selling price per sq.m.	1st Floor: €3.600 - €3.700 2nd Floor: €3.700-€3.800 Corner flats: 2% higher Common areas (kitchen) €3.000	The higher, the higher the fair value
			Discount rate	11,1%	The higher, the lower the fair value

Sensitivity of Management's estimates 30 June 2023

Description	Change
Property, plant and equipment	
Land building Coefficient	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€73.048.000 - €85.570.000**
Hotels	
Change in occupancy rate	+/- 10%
Discount rate change	+/- 10%
Change in average room rate	+/- 10%
Fair value range based on changes in key estimates	**€242.750.000 - €274.280.000**
Land under development	
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€4.990.000 - €6.110.000**
Residential properties	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€7.521.000-€8.948.000**

6. Fair value measurement (continued)

Sensitivity of Management's estimates 31 December 2022

Description	Change
Property, plant and equipment	
Land building Coefficient	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€74.040.000 - €86.470.000**
Hotels	
Change in occupancy rate	+/- 10%
Discount rate change	+/- 10%
Change in average room rate	+/- 10%
Fair value range based on changes in key estimates	**€219.370.000 - €296.580.000**
Land under development	
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€4.890.000 - €5.970.000**
Residential properties	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€7.516.000- €8.996.000**

7. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

Disaggregation of revenue	**01/01/2023-30/06/2023**	01/01/2022-30/06/2022
	€	€
Hotel Operations	**20.192.942**	18.662.589
Property management	**-**	3.871.086
Real estate development	**3.278.133**	9.221.838
Boutique sales	**119.398**	85.033
Other operations	**268.114**	2.561.067
	23.858.587	34.401.613

8. Cost of sales

	01/01/2023-30/06/2023	01/01/2022-30/06/2022
	€	€
Changes in inventories	**3.234.212**	6.667.830
Salaries	**8.100.573**	10.146.580
Purchases	**3.155.419**	5.225.576
Direct costs - goods, materials and services	**97.666**	339.611
Other direct costs	**2.410.307**	5.535.977
Departmental expenses	**2.490.471**	2.484.660
Commissions payable	**604.456**	678.112
Entertainment	**281.893**	287.787
Gardening expenses	**117.796**	376.166
Uniforms	**8.463**	4.688
Repairs & Maintenance	**293.976**	1.679.799
	20.795.231	33.426.786

9. Property, plant and equipment

	Land and buildings	Property under construction	Cutlery, linen & uniforms	Motor vehicles	Furniture, fixtures and office equipment	Computer hardware	Total
	€	€	€	€	€	€	€
Cost or valuation							
Balance at 1 January 2022	257.415.429	254.596	2.269.879	211.312	43.007.183	4.286.032	307.444.431
Reclassification	(13.655.207)	7.837.644	79.235	-	3.690.405	53.850	(1.994.073)
Additions	39.924.396	15.668.132	155.022	-	1.001.328	118.682	56.867.560
Write off of property, plant and equipment	-	-	-	-	(10.002.794)	-	(10.002.794)
Disposals from disposals of subsidiaries	(68.726.875)	-	-	-	(19.921.564)	(3.395.739)	(92.044.178)
Revaluation adjustment	132.960.475	-	-	-	-	-	132.960.475
Reversal of impairment charge	2.116.104	151.890	-	-	-	-	2.267.994
Balance at 31 December 2022/ 1 January 2023	**350.034.321**	**23.912.262**	**2.504.136**	**211.312**	**17.774.557**	**1.062.825**	**395.499.413**
Reclassification	2.723.061	(2.723.061)	-	-	-	-	-
Additions	386.317	6.505.466	98.096	17.700	315.268	21.971	7.344.818
Reclassification to deposits and prepayments	(705.897)	-	-	-	-	-	(705.897)
Revaluation adjustment	(3.204.333)	-	-	-	-	-	(3.204.333)
Impairment reversal/(charge)	2.353.557	(2.669.881)	-	-	-	-	(316.324)
Balance at 30 June 2023	**351.587.025**	**25.024.786**	**2.602.233**	**229.012**	**18.089.826**	**1.084.796**	**398.617.678**
Depreciation							
Balance at 1 January 2022	12.450.139	-	-	129.387	30.126.744	3.337.439	46.043.709
Reclassification	(1.994.074)	-	-	-	318	(318)	(1.994.074)
Charge for the year	5.394.758	-	-	6.762	2.164.512	245.256	7.811.288
Disposals from disposals of subsidiaries	(9.413.479)	-	-	-	(17.959.834)	(2.670.865)	(30.044.178)
Write off of property, plant and equipment	-	-	-	-	(8.978.195)	-	(8.978.195)
Balance at 31 December 2022/ 1 January 2023	**6.437.344**	**-**	**-**	**136.149**	**5.353.545**	**911.512**	**12.838.550**
Charge for the period	2.698.476	-	-	22.901	768.418	107.947	3.597.742
Balance at 30 June 2023	**9.135.820**	**-**	**-**	**159.050**	**6.121.963**	**1.019.459**	**16.436.292**
Net book amount							
Balance at 30 June 2023	**342.451.205**	**25.024.786**	**2.602.233**	**69.962**	**11.967.863**	**65.337**	**382.181.386**
Balance at 31 December 2022	**343.596.977**	**23.912.262**	**2.504.136**	**75.163**	**12.421.012**	**151.313**	**382.660.863**

During the year 2022, property under construction of €10.869.046 of the subsidiary, Parklane Hotels Limited, was reclassified to the appropriate category of property and equipment as it was completed and it was ready for use.

9. Property, plant and equipment (continued)

During the year 2022, buildings with a net book value of €18.706.690 (cost €20.700.764 minus accumulated depreciation €1.994.074) of the subsidiary, The Cyprus Tourism Development Company Limited, were reclassified to Buildings under construction as the hotel is currently under renovation.

The land and buildings have been used as collateral in the Group's loan agreements, as mentioned in note 15.

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	30/06/2023	31/12/2022
	€	€
Cost	**224.867.404**	218.681.518
Accumulated depreciation	**(9.135.820)**	(6.437.344)
Net book amount	**215.731.584**	212.244.174

Fair value hierarchy

The methodology and information used to estimate fair values at the date of transfer are given in note 6.

10. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	**30/06/2023 Holding %**	31/12/2022 Holding %
The Cyprus Tourism Development Company Limited	Cyprus	Hotels, tourism and real estate	**100**	100
Parklane Hotels Limited	Cyprus	Hotels, tourism and real estate	**100**	100
Porto Heli Hotel & Marina S.A	Greece	Hotels, tourism and real estate	**100**	100
MHV Lifestyle Limited	Cyprus	Retail	**100**	100
Stromay Holdings Limited	Cyprus	Holding of investments	**100**	100
MHV Bluekey One Single Member S.A.	Greece	Hotels, tourism and real estate	**100**	100
Parklane Beach Bar Limited (indirect)	Cyprus	Dormant	**100**	100

All subsidiaries are included in the consolidation.

11. Investments in joint ventures

	30/06/2023	31/12/2022
	€	€
Balance at 1 January	**26.374.913**	8.978
Additions as a result of partial disposal of subsidiary	**-**	27.169.139
Share of joint venture loss	**(892.659)**	(165.146)
Issue of share capital	**646.997**	-
Dividends received	**-**	(646.997)
Group's share of other comprehensive income	**443.661**	8.939
Balance at 30 June/31 December	**26.572.912**	26.374.913

The details of the joint ventures are as follows:

Name	Country of incorporation	Principal activities	**30/06/2023 Holding %**	31/12/2022 Holding %	**30/06/2023 €**	31/12/2022 €
L'Union Branded Residences	Cyprus	Dormant	50	50	**8.978**	8.978
Aphrodite Hills Resort Limited sub-group	Cyprus	Hotels, Tourism and Real Estate	50	50	**26.563.934**	26.365.935
					26.572.912	26.374.913

Up to 24 November 2022, the Group owned 100% in Aphrodite Hills Resort Limited sub-group, which was classified as a subsidiary and was fully consolidated up to that date. On 24 November 2022, the Group sold its 50% share and the remaining 50% investment was then classified as investment in joint ventures based on its fair value at the date of sale.

The joint venture investment in Aphrodite Hills Resort Limited sub-group, comprises of Aphrodite Hills Resort Limited and its following subsidiaries and associate:

Name	Country of incorporation	Principal activities	**2023 Holding %**
Aphrodite Hotels Limited	Cyprus	Hotels, Tourism and Real Estate	50
Aphrodite Hill Services Limited	Cyprus	Provision of drainage and security services to properties located at Aphrodite Hills	50
Aphrodite Hills Property Management Limited	Cyprus	Provision of repairs, maintenance and rentals to owners/residents	50

11. Investments in joint ventures (continued)

The Aphrodite Tennis & Spa Limited	Cyprus	Operation of a tennis academy	50
Aphrodite Hills Pantopoleion Limited	Cyprus	Operation of supermarkets at Aphrodite Hills	22,5

Significant aggregate amounts in respect of Joint Venture 'Aphrodite Hills Resort Limited - sub-group':

	30/06/2023
	€
Non-current assets	**78.481.732**
Current assets	**48.739.465**
Non-current liabilities	**(43.992.042)**
Current liabilities	**(30.101.286)**
Net assets (100%)	**53.127.869**
Group's share of net assets (50%)	**26.563.934**
Carrying amount of interest in joint venture	**26.563.934**
Revenue	**17.044.356**
Cost of sales	**(14.557.961)**
Other income	**259.367**
Marketing and administrative expenses	**(4.531.990)**
Net finance costs	**(871.479)**
Share of loss of associate	**97.052**
Tax	**779.336**
Loss for the period (100%)	**(1.785.319)**
Other comprehensive income (100%)	**887.323**
Loss and total comprehensive income (100%)	**(897.323)**
Group's share of loss (50%)	**(892.659)**
Group's share of other comprehensive income (50%)	**443.661**

12. Inventories

	30/06/2023	31/12/2022
	€	€
Finished products	**1.876.711**	1.438.277
Stock of completed property	**25.826.113**	28.753.186
Land under development	**44.863.870**	37.210.402
	72.566.694	67.401.865

The cost of inventories recognised as expense and included in "cost of sales" amounted to €3.234.212 (2022: €6.667.830).

Inventories are stated at cost.

The Group's inventories have been used as collateral in the loan agreements, as mentioned in note 15.

13. Cash at bank and in hand

	30/06/2023	31/12/2022
	€	€
Cash in hand	**396.787**	131.850
Cash at bank	**17.341.465**	37.231.611
	17.738.252	37.363.461

An amount of €798.215 (2022: €799.235) is held for the repayment of the forced acquisition of the previous shareholders, of the Company "The Cyprus Tourism Development Company Limited" during the year 2019.

An amount of €291.078 (2022: €291.078) is held as reserve on the deposit accounts of the subsidiary Porto Heli Hotel & Marina S.A. to secure debt service.

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	30/06/2023	31/12/2022
	€	€
Cash at bank and in hand	**17.738.252**	37.363.461
Bank overdrafts	**(1.998.190)**	-
	15.740.062	37.363.461

14. Share capital

	2023 Number of shares	**2023 €**	2022 Number of shares	2022 €
Authorised				
Ordinary shares of €1 each	1.000	1.000	1.000	1.000
Preference shares of €0,01 each	1	0,01	1	0,01
Redeemable preference shares of €1 each	196.789	196.789	196.789	196.789
	197.790	**197.789,01**	197.790	197.789,01
Issued and fully paid				
Balance at 1 January	145.920	145.920	185.920	185.920
Redemption of Redeemable preference shares	(25.000)	(25.000)	(40.000)	(40.000)
Balance at 30 June/31 December	**120.920**	**120.920**	145.920	145.920

On 31 May 2022 the Company redeemed 40.000 of the redeemable preference shares as follows:

a) 8.000 redeemable preference shares of nominal value €1 each held by Flowpulse Limited for a total amount of €8.000.000 being the aggregate amount of the consideration for which they were issued;

b) 10.000 redeemable preference shares of nominal value €1 each held by Prodea Real Estate Investment Company S.A. for a total amount of €10.000.000 being the aggregate amount of the consideration for which they were issued;

c) 17.000 redeemable preference shares of nominal value €1 each held by Papabull Investments Limited for a total amount of €17.000.000 being the aggregate amount of the consideration for which they were issued;

d) 5.000 redeemable preference shares of nominal value €1 each held by Ascetico Limited for a total amount of €5.000.000 being the aggregate amount of the consideration for which they were issued.

On 12 January 2023, the Company redeemed 25.000 of the redeemable preference shares as follows:

14. Share capital (continued)

a) 5.000 redeemable preference shares of nominal value €1 each held by Flowpulse Limited for a total amount of €5.000.000 being the aggregate amount of the consideration for which they were issued;

b) 6.250 redeemable preference shares of nominal value €1 each held by Prodea Real Estate Investment Company S.A. for a total amount of €6.250.000 being the aggregate amount of the consideration for which they were issued;

c) 10.625 redeemable preference shares of nominal value €1 each held by Papabull Investments Limited for a total amount of €10.625.000 being the aggregate amount of the consideration for which they were issued;

d) 3.125 redeemable preference shares of nominal value €1 each held by Ascetico Limited for a total amount of €3.125.000 being the aggregate amount of the consideration for which they were issued.

15. Borrowings

	30/06/2023	31/12/2022
	€	€
Balance at 1 January	**80.358.901**	107.568.450
Additions	**-**	30.500.000
Repayment of principal	**(1.590.900)**	(24.204.547)
Repayment of interest	**(2.259.121)**	(3.745.148)
Disposals from disposal of subsidiaries	**-**	(32.523.396)
Interest of the year	**2.427.541**	3.958.991
Arrangement fees paid	**(37.177)**	(1.811.318)
Amortisation of arrangement fees	**115.003**	615.869
Balance at 30 June/31 December	**79.014.247**	80.358.901

	30/06/2023	31/12/2022
	€	€
Current borrowings		
Bank loans	**5.584.895**	5.471.491
Non-current borrowings		
Bank loans	**73.429.352**	74.887.410
Total	**79.014.247**	80.358.901

Maturity of non-current borrowings:

	30/06/2023	31/12/2022
	€	€
Within one year	**5.584.895**	5.471.491
Between one and five years	**73.429.352**	14.561.570
After five years	**-**	60.325.840
	79.014.247	80.358.901

Loan amounting to: €3.756.111 (Porto Heli Hotel & Marina S.A)

In March 2020, the subsidiary issued a Bond Loan Program, with Piraeus Bank as paying agent and representative of the Bondholders. The purpose of the Loan was on the one hand the partial refinancing of equity with the return of the relevant amount to the previous parent company, on the other hand the financing of renovation investment of the hotel complex within 2020.

15. Borrowings (continued)

To secure the bank loan, a mortgage has been registered on the company's property. There is also a pledge on the insurance policy and deposit accounts and on the shares of the company. Some of the financial indicators of the loan agreement which are assessed on an annual basis, were not observed on 31 December 2022 and for this reason the company obtained a waiver on the financial covenants for the year 2022 by the lending bank. The loan was classified as short-term. Management is also in discussions with the bond lender to sign an amendment to the loan agreement in the near future.

Loan amounting to: €46.009.554 (Parklane Hotels Limited)

On 8 July 2021 (the loan agreement date), Parklane Hotel Limited obtained loan facilities of €70.000.000 from Eurobank, split as follows:

- Facility A: a total of €50.000.000 which is repayable with 6-month loan repayments on the 12 years anniversary of the loan agreement date, and

- Facility B: a total of €20.000.000 which is repayable with 6-month loan repayments on the 5 and a half year anniversary of the loan agreement date. The Facility B was fully repaid during the year ended 31 December 2022.

The bank loans are secured as follows:
- By first rank mortgage over the company's properties.
- By first rank pledge over the company's shares.
- By first rank floating charge over the company's assets.
- By first rank charge over the company's bank accounts.
- By assignment of the company's receivables and insurance policies.

The loan is subject to a floating interest rate equal to 6 months Euribor plus a margin of 2,75% per annum. If the company's "Total Debt to EBITDA" ratio is below 5,5 times, such margin shall decrease to 2,4%.

Loan amounting to: €29.248.582 (The Cyprus Tourism Development Company)

On 28 January 2022, The Cyprus Tourism Development Company Limited signed a term loan facility agreement of up to € 82.000.000 with Alpha Bank S.A. with an interest of 3 month Euribor (or zero if negative) plus margin (margin 2,95% for development facility and 2,75% for investment facility). The loan consists of two tranches (tranche A and tranche B).

Tranche A is up to €30.500.000 and is for the purpose of partial repayment of the existing debt, partial funding of the working capital and partial financing of fees. As at 30 June 2023, the balance of tranche A amounted to €29.248.582 (including accrued interest).

Tranche B of the development facility is up to €51.500.000 and is for the purpose of partial financing of the hotel renovation, partial financing of the office tower development costs and partial financing of interest during construction (IDC), fees and DSRA.

15. Borrowings (continued)

The bank loans are secured as follows:

- First rank mortgage on the land and development (including hotel and office tower) securing 130% the facility and hedging.
- Guarantee to be provided by the shareholder in relation to the obligation to cover a)any construction time and cost overruns of the project, b) any obligations for return to buyers of advance payments /installments received from residential tower sale/pre-sale agreements, in case of cancellation of the respective sales/pre-sales, c) any shortfall in case of not realisation of the office tower sale to Prodea (i.e. reduction of the development facility balance to €46.500.000 upon project completion) or the actual acquisition price achieved for the office tower being lower than €70.000.000 (i.e. completion of the project development) and d) any other material economic/financial obligations of the borrower potentially identified during the due diligence phase, to be released on the Ramp Up Trigger Date.
- Pledge over borrower's shares.
- Assignment/pledge of borrowers receivables. Pledge over future receivables deriving from the office tower, to be released upon acquisition of the office tower by Prodea.
- Assignment/pledge of the key project documents and stemming LGs.
- Assignment of the Prodea Forward Purchase Agreement with Prodea.
- Assignment / pledge on movable assets.
- Floating charge on borrower's assets.
- Pledge of project accounts.
- Pledge of insurances, the facility agent to be named first loss payee.
- Direct agreements with the project manager and the contractor, in form and in substance satisfactory to the lenders, ensuring inter alias lenders step in rights.
- Acknowledgment letter by the hotel franchisor, in form and in substance satisfactory to the lenders, ensuring inter alias lenders step in rights.
- Assignment/pledge/subordination of shareholder loans.
- Subordination of the Prodea Forward Purchase Agreement initial installments.
- Assignment/pledge of VAT receivables.
- Assignment/pledge of the hedging agreement.

16. Operating Environment of the Group

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

16. Operating Environment of the Group (continued)

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Group has exposures in Ukraine, the Russian Federation and Belarus as part of its clientele originated from these countries. As mentioned below the Group has taken measures to diversify its customer base.

Operating in Russia, Belarus and Ukraine involves some risk of political instability, which may include changes in government, negative policy shifts and civil unrest. Financial and economic sanctions imposed by the global community on certain sectors of the Russian economy as well as businesses and individuals in Russia in the first quarter of 2022, and the counter-measures imposed by Russia on the United States of America, United Kingdom and European Union, may potentially pose a risk to the Company's operations. These factors may have a negative impact on the Company's liquidity, capital flows and ability of the Company to secure external financing.

The Group actively monitors political developments on an ongoing basis. However, the macroeconomic situation in Ukraine, Russia and Belarus is out of Management's control. The scope and impact of any new potential sanctions (and any counter-sanctions) is yet unknown, however they might further affect key Russian financial institutions as well as companies operating in the Russian Federation and Belarus.

Management is in the process of reassessing their trading and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs, taking into consideration the main impacts identified above.

The Group's management has proactively taken the following measures:
- Reduction in operational costs and renegotiated payment terms with key suppliers and creditors
- Entrance into new contractual terms with new tour operators and agents with the aim to attract alternative markets from Middle East, UK and Central Europe
- Focus on local market
- Actions to sale or long-term leasing of stock of completed property and land under development

Management will continue to monitor the situation closely and assess/seek additional measures/committed facilities as a fall-back plan in case the crisis becomes prolonged.

17. Related party transactions

As of 30 June 2023, the shareholders of the Company were: Ascetico Limited with 55%, Prodea Real Estate Investment Company S.A with 25% and Flowpulse Limited with 20%.

As of 31 December 2022, the shareholders of the Company were: Yoda Plc with 42.5%, Prodea Real Estate Investment Company S.A with 25%, Flowpulse Limited with 20% and Ascetico Limited with 12.5%.

17. Related party transactions (continued)

The following transactions were carried out with related parties:

17.1 Directors' remuneration

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

	01/01/2023-30/06/2023	01/01/2022-30/06/2022
	€	€
Directors' remuneration	**496.155**	373.424
	496.155	373.424

17.2 Sales and other income

	Nature of transactions	01/01/2023-30/06/2023 €	01/01/2022-30/06/2022 €
Prodea Real Estate Investment Company S.A.	Accommodation income	**9.367**	2.550
Invel Real Estate Management Ltd	Accommodation income	**3.953**	33.019
Aphrodite Hills Pantopoleion Limited	Rental income	**-**	46.592
Invel Real Estate Advisors LLP	Accommodation income	**1.400**	-
Yoda Plc (shareholder)	Accommodation income and F&B services	**65.974**	19.986
		80.694	102.147

The related party transactions were made on arm's length basis.

17.3 Purchases and other expenses

	Nature of transactions	01/01/2023-30/06/2023 €	01/01/2022-30/06/2022 €
Invel Real Estate Management Ltd	Consulting services	**450.000**	-
Aphrodite Hotels Limited	Trade	**-**	2.122
		450.000	2.122

The related party transactions were made on arm's length basis.

17.4 Receivables from related parties

Name	Nature of transactions	30/06/2023 €	31/12/2022 €
MHV IA Limited	Financing	**37.562**	16.999
Flowpulse Limited	Financing	**-**	2.510
Aphrodite Hills Resort Limited	Dividends receivable	**-**	646.997
Aphrodite Hills Resort Limited	Recharge of expenses	**46.067**	136
Invel Real Estate Advisors LLP	Trade	**-**	1.205
Invel Real Estate Management Ltd	Trade	**26.993**	35.355
Prodea Real Estate Investment SA	Trade	**3.201**	-
Yoda Plc (shareholder)	Trade	**27.943**	-
		141.766	703.202

The receivables from related parties were provided interest free, and there was no specified repayment date.

17. Related party transactions (continued)

17.5 Payables to related parties

Name	Nature of transactions	**30/06/2023**	31/12/2022
		€	€
MHV IA Limited	Trade	**1.000**	1.000
Aphrodite Hills Resort Limited	Trade	**-**	2.200
		1.000	3.200

The payables to related parties were provided interest free, and there was no specified repayment date.

17.6 Debit balances of current accounts of shareholders / directors

	30/06/2023	31/12/2022
	€	€
Shareholder (individuals)	**-**	72.506
	-	72.506

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

17.7 Directors'/ Shareholders' current accounts - credit balances

	30/06/2023	31/12/2022
	€	€
Director	**1.740**	1.740
	1.740	1.740

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

18. Contingent liabilities

MHV MEDITERRANEAN HOSPITALITY VENTYRE LIMITED

Eurobank Cyprus Limited and Parklane Hotels Limited have entered into a facility agreement dated July 8, 2021 for an amount up to €70.000.000. As a condition of the agreement, MHV Mediterranean Hospitality Venture Limited grants to Eurobank Cyprus Limited a pledge and first rank security for the entire pledged property (all its shares and all its participations in the Parklane Hotels Limited). MHV Mediterranean Hospitality Venture Limited guarantees and agrees with Eurobank Cyprus Limited that it will pay the Secured Liabilities on demand when they become due and agrees to indemnify the Security Agent for any losses, costs, charges, expenses and liabilities incurred from any breach or inability to pay.

MHV Mediterranean Hospitality Venture Limited is the registered and legal holder of 34.980.292 common shares with a nominal value of €0,17 each, representing 50% of the total issued share capital of Aphrodite Hills Resort Limited. Without prejudice to the provisions of Aphrodite Hills Resort Limited facility agreement, MHV Mediterranean Hospitality Venture Limited binds and charges through a fixed interest of first priority: shares, stock certificates and / or any relevant document proving ownership of all shares, any dividends or interest or other distribution paid or payable in connection with any of the above and any rights, money or assets raised or offered at any time, in relation to any of the above through redemption, replacement, exchange, conversion, bonus, preference or other, on an optional basis or otherwise.

18. Contingent liabilities (continued)

The Company's 100% subsidiary Porto Heli Marina S.A, issued bonds in an aggregate principal amount of €4.250.000 all of which have been purchased by Piraeus Bank SA. under terms of the Greek law governed bond loan program dated 20 March 2020. As a security for the obligations of the Issuer under the Bond Loan the previous shareholder of the Issuer under the corporate name EIDIKOU SKOPOU DEKA EPTA S.A. (the "Initial Pledgor") granted a first ranking share pledge in favour of the bank over all of its shares in the Issuer. Pursuant to share purchase agreement dated 8 April 2021 between the Initial Pledgor and the Company the former sold and transferred to the latter 1.405 common nominal shares of €33,00 each which constitute the total 100% issued shares of the Issuer and as a result the Company became the sole shareholder of the Issuer. The Company enters into the transactions contemplated by the Share Pledge Agreement and meets all of its obligations thereunder.

Alpha Bank Cyprus S.A. and The Cyprus Tourism Development Company Limited ("CTDC") have entered into a facility agreement dated January 28, 2022 for an amount of up to €82.000.000. As a condition to the Agreement, MHV Mediterranean Hospitality Venture Limited grants to Alpha Bank Cyprus Limited a pledge and first rank security for the entire Pledged Property (all its shares and all its participations in CTDC). MHV Mediterranean Hospitality Venture Limited guarantees and agrees with Alpha Bank S.A. that it will pay the Secured Liabilities and Obligations on demand when they become due and agrees to indemnify the Security Agent for any losses, costs, charges, expenses and liabilities incurred from any breach or inability to pay.

APHRODITE HILLS RESORT LIMITED (AHRL)

AHRL has entered into agreements with contractors and subcontractors for the development of the residential project Alexander Heights Phase B, Aeneas, Dionysus Greens Phase A and Poseidon. As at 30 June 2023, the remaining value of these contracts to which the Company is committed to make payments amounts to €3.7 million (2022: €5.3 million). These commitments are expected to be settled upon completion of the respective projects.

AHRL group companies are guarantors for bank facilities granted to AHRL and their shares are pledged for the same purpose.

THE CYPRUS TOURISM DEVELOPMENT COMPANY LIMITED

On 19 April 2023 CTDC entered a contract with K. Athienitis Contractors Limited for the construction of an office and a residential tower, including an underground parking, at the land plot of the Landmark Nicosia, Cyprus pursuant to a letter of award dated 6th September 2022, with a contract value of €56.4 million.

On 28 April 2023 CTDC signed with Depcon Construction Limited a letter of award of works for the renovation of Landmark Hotel Nicosia for a lump-sum amount of €10.5 million. As at the date of these interim financial statements, a formal final works contract with the contractor is yet to be signed.

There is currently a number of labor dispute cases brought in front of court against The Cyprus Tourism Development Company Limited dating back to 2018 and 2019. In case the court outcome is not favorable for the company, it is estimated that the total liability for all cases will not exceed €180 thousands.

PARKLANE HOTELS LIMITED

There are currently two court cases against Parklane Hotels Limited in relation to certain terms of two lease agreements at Park Tower. Should the court outcome is not favorable for the company, it is estimated that total liability for both cases will not exceed €380 thousands.

The Group had no other contingent liabilities and commitments as at 30 June 2023 and 31 December 2022.

19. Events after the reporting period

On 21 July 2023 the Company passed a written resolution through which the authorised share capital of the Company increased from €197.789,01 to €120.397.790 divided into 120.201.000 ordinary shares of nominal value €1.00 each, 196.789 redeemable preference shares of nominal value €1.00 each and 100 redeemable preference shares of nominal value €0.01 each.

On the same date, the following number of redeemable preference shares held by the shareholders of the Company redeemed at a nominal value €1.00 plus premium of €999 per redeemable preference share: Flowpulse Limited - €24.040.000, Prodea Real Estate Investment Company S.A. - €30.050.000 and Ascetico Limited - €66.110.000, leading to an aggregate €120.200.000.

Additionally, the Company issued and allotted 120.200.000 ordinary shares (pro rata to their current shareholding in the Company) on the same date for a nominal value of €1.00 each to the following shareholders of the Company: 24.040.000 ordinary shares to Flowpulse Limited, 30.050.000 ordinary shares to Prodea Real Estate Investment Company S.A. and 66.110.000 ordinary shares to Ascetico Limited. The total redemption value of €120.200.000 settled off against the total issue and allotment value of €120.200.000. As a result, the 120.200.000 ordinary shares issued as at 21 July 2023 were deemed as fully paid up.

After the redemption and the issuance and allotment of shares, the Company passed a written resolution through which the authorised share capital of the Company was first consolidated, converted and redominated to €120.397.790 divided into 120.201.000 ordinary shares of nominal value €1.00 each and 196.790 redeemable preference shares of nominal value €1.00 each and then converted and reclassified to €120.397.790 divided into 120.397.790 ordinary shares of nominal value €1.00 each. The issued share capital of the Company remained €120.200.720 divided into 120.200.720 ordinary shares of nominal value of €1.00 each.

On 21 July 2023, the Company passed a written resolution for the re-registration and conversion of the Company to a public limited liability company ("PLC") with the ultimate aim to list its ordinary shares on the Emerging Companies Market ("ECM") of the Cyprus Stock Exchange ("CSE") so that they are admitted to trading (the "Listing"). In this respect, the Company's articles of association have been amended and the existing shareholders, Flowpulse Limited and Ascetico Limited transferred a part of their shares to nine new individual shareholders, so that the Company meets the requirements of the Cyprus Stock Exchange to have at least ten shareholders. Following this transfer, the shareholders of the Company are Ascetico Limited with 54,999%, Prodea Real Estate Investment Company S.A with 25%, Flowpulse Limited with 19,999% and other shareholders with 0,002%.

On 25 August 2023, the Company changed its name from MHV Mediterranean Hospitality Venture Limited to MHV Mediterranean Hospitality Venture PLC.

On 30 August 2023, CTDC signed a franchise agreement and related ancillary agreements with Global Hospitality Licensing S.a.r.l. for the addition of Landmark Nicosia, upon opening, to the Marriott "Autograph Collection".

On 6 September 2023, storm Daniel hit the area of Porto Heli, where the Company subsidiary's hotel Nikki Beach at Porto Heli is located. As a result of the heavy rainfall, the basement level of the hotel flooded causing serious damage at the hotel's electro-mechanical infrastructure and auxiliary facilities located in the basement. Consequently, the hotel ceased its operations for the season. The hotel management is currently in the process of assessing and quantifying the damage, both in terms of property and business interruption, in order to present its claim to the insurance company. Third party experts have been hired to assist management in this task. As of the date of these financial statements, there is no quantum yet of the damage claim, nevertheless management is confident that the insurance proceeds will cover the losses to the maximum extent possible.

On 8 September 2023, CTDC proceeded with the utilization of the first instalment of €10 million of Tranche B of its facility agreement with Alpha Bank S.A. in order to finance the ongoing construction project at the Landmark Nicosia.

On 18 September 2023, the Registrar of Companies certified the struck off of the partnership 'L'Union Branded Residences', which is included in investments in joint ventures (note 11).

19. Events after the reporting period (continued)

As explained in note 16 the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these interim condensed consolidated financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

Depending on the duration of the conflict between Russia and Ukraine, and continued negative impact on economic activity, the Group might experience negative results, and impact on its operations after the reporting period. Management will continue to monitor the situation closely and will assess the need for additional measures in case the crisis becomes prolonged.

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

Independent Auditor's Review Report on page 4

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
31 December 2022

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2022

CONTENTS

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Aristotelis Karytinos Christophoros Papachristophorou Athanasios Karagiannis Alon Bar Charalambos Michael (appointed 28/04/2022) Alexios Pipilis (appointed 28/04/2022) Achilleas Dorotheou (appointed 19/09/2022) Marios Alexandrou (resigned 19/09/2022)
Company Secretary	Themis Secretarial Services Limited
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors 27 Spyrou Kyprianou Ave., 4003 Mesa Yitonia Limassol Cyprus
Registered office	Kyriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites 1082 Nicosia Cyprus

MANAGEMENT REPORT

The Board of Directors of MHV Mediterranean Hospitality Venture Limited (the "Company") presents to the members its Management Report and the audited consolidated financial statements of the Company and its subsidiaries, together referred to as ('the Group'), for the year ended 31 December 2022.

Principal activities and nature of operations of the Group
The principal activities of the Group remained unchanged from last year. The Group acquires, repositions, manages as well as develops prime real estate assets in exclusive locations across the hospitality, residential and commercial sectors in Cyprus, Greece and the Mediterranean. The Group is also active in retail through its subsidiary MHV Lifestyle Limited.

The Group currently owns, develops and / or operates the following assets:

The Landmark Hotel in Nicosia Cyprus through its subsidiary, The Cyprus Tourism Development Company Limited.

The Parklane, a Luxury Collection Resort & Spa in Limassol Cyprus and the Park Tower which consists of 20 luxury apartments in Limassol Cyprus, through its subsidiary Parklane Hotels Limited.

Aphrodite Hills Resort in Paphos Cyprus (investment in joint venture), which includes a 5-star hotel, golf course, club, tennis and spa, through its subsidiary Aphrodite Hills Resort Limited. Among the activities of this sub - group is the development and sale of real estate in Aphrodite Hills and the provision of management, rental and other services to Aphrodite Hills homeowners and residents.

Nikki Beach Hotel in Porto Heli in Argolida Greece, through the subsidiary Porto Heli Hotel & Marina S.A.

The " Mare e Sabbia" boutique on the premises of the Parklane, a Luxury Collection Resort & Spa, Limassol, through its subsidiary MHV Lifestyle Limited.

The Group also owns a residential building complex in the district of Pyrgos, Limassol, which is used for the accommodation of Parklane Hotel staff. The property is owned by the subsidiary Stromay Holdings Limited.

Finally, the Group's subsidiary MHV Bluekey One Single Member S.A. has purchased part of the Hotel Porto Paros in Paros Greece. There are agreements in place to acquire the 100% share of this hotel and the relevant purchase price has already been prepaid. These are currently shown in prepayments until the procedures are completed and the legal title deeds are transferred to the subsidiary.

Changes in group structure
During the year the Group proceeded with a 50% sale of Aphrodite Hills Resort Limited as mentioned in note 21 and 23 of the consolidated financial statements.

Review of current position, future developments and performance of the Group's business
The net profit for the year attributable to the shareholders of the Group amounted to €344.074 (2021: profit €49.916.167). On 31 December 2022 the total assets of the Group were €562.877.185 (2021: €551.768.090) and the net assets of the Group were €422.684.358 (2021: €355.677.168). The financial position, development and performance of the Group as presented in these consolidated financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in notes 6, 7 and 40 of the consolidated financial statements.

Existence of branches
The Group does not maintain any branches.

Use of financial instruments by the Group
The Group is exposed to interest rate risk, credit risk, liquidity risk and tourism industry risk arising from the financial instruments it holds.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, as well as from trade and other receivables.

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

Dividends
The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital
During the year there were changes in the share capital of the Group, as reported in note 31 of the consolidated financial statements.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2022 and at the date of this report are presented on page 1. Mr. Charalambos Michael and Mr. Alexios Pipilis were appointed on 28 April 2022. Mr. Marios Alexandrou resigned on 19 September 2022 and on the same date Mr. Achilleas Dorotheou was appointed in his place.

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

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

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 43 to the consolidated financial statements.

Independent Auditors
The independent auditors, Ernst & Young Cyprus Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

THEMIS SECRETARIAL SERVICES LIMITED

Themis Secretarial Services Limited
Secretary

Limassol, 20 April 2023

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Independent Auditor's Report

To the Members of MHV Mediterranean Hospitality Venture Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MHV Mediterranean Hospitality Venture Limited (the "Company") and its subsidiaries (the "Group"), which are presented in pages 7 to 78 and comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

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

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matter

This report, including the opinion, has been prepared for and only for the Group's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Andreas Avraam
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Limassol, 20 April 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2022

	Note	2022 €	2021 €
Revenue	9	**99.637.262**	64.896.957
Cost of sales	10	**(66.027.633)**	(50.642.613)
Gross profit		**33.609.629**	14.254.344
Other income	11	**896.962**	536.171
General and administration expenses	12	**(30.205.432)**	(20.420.484)
Other (losses)/ gains - net	13	**(1.953.264)**	8.974.088
Operating profit		**2.347.895**	3.344.119
Finance income		**27.490**	33.361
Finance costs		**(6.073.880)**	(2.687.200)
Net finance costs	15	**(6.046.390)**	(2.653.839)
Share of results of associates	24	**225.256**	1.891
Share of results of joint venture	25	**(165.146)**	-
Negative goodwill from acquisition of subsidiary	22	**-**	44.352.347
Gain on partial disposal of subsidiaries	23	**2.181.740**	-
(Loss)/profit before tax		**(1.456.645)**	45.044.518
Tax	16	**1.800.719**	1.871.649
Net profit for the year		**344.074**	46.916.167
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
Revaluation gain on land and buildings	17	**132.960.475**	24.632.594
Deferred taxation on revaluation of land		**(26.306.298)**	(5.314.272)
Share of other comprehensive income from joint venture	25	**8.939**	-
		106.663.116	19.318.322
Other comprehensive income for the year		**106.663.116**	19.318.322
Total comprehensive income for the year		**107.007.190**	66.234.489

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2022

	Note	**2022** **€**	2021 €
ASSETS			
Non-current assets			
Property, plant and equipment	17	**382.660.863**	261.400.722
Right-of-use assets	18	**2.263.067**	3.703.349
Investment properties	19	**-**	2.400.000
Intangible assets	20	**3.818.160**	16.077.852
Investments in associates	24	**-**	444.934
Investments in joint ventures	25	**26.374.913**	8.978
Other asset	29	**-**	112.470
Trade and other receivables	27	**34.336.171**	47.631.304
Deferred tax assets	35	**2.784.555**	5.507.592
		452.237.729	337.287.201
Current assets			
Inventories	26	**67.401.865**	110.554.445
Trade and other receivables	27	**5.873.129**	6.898.593
Financial assets at fair value through profit or loss	28	**1.001**	1
Refundable taxes	39	**-**	100.000
Cash at bank and in hand	30	**37.363.461**	96.927.850
		110.639.456	214.480.889
Total assets		**562.877.185**	551.768.090
EQUITY AND LIABILITIES			
Equity			
Ordinary shares - share capital	31	**720**	720
Ordinary shares - share premium	31	**103.684.313**	103.684.313
Redeemable preference shares - share capital	31	**145.200**	185.200
Redeemable preference shares - share premium	31	**145.054.800**	185.014.800
Other reserves		**118.809.086**	19.242.217
Retained earnings		**54.990.239**	47.549.918
Total equity		**422.684.358**	355.677.168
Non-current liabilities			
Borrowings	32	**74.887.410**	92.637.381
Lease liabilities	33	**2.304.919**	3.435.829
Deferred consideration	34	**-**	9.368.142
Trade and other payables	37	**-**	2.280.674
Deferred tax liabilities	35	**31.871.776**	20.130.703
Government grants	38	**3.100.397**	3.368.721
		112.164.502	131.221.450

	Note	2022 €	2021 €
Current liabilities			
Trade and other payables	37	**12.143.895**	44.043.817
Government grants	38	**129.000**	21.881
Bank overdrafts	30	**-**	4.175.439
Borrowings	32	**5.471.491**	14.931.069
Lease liabilities	33	**102.769**	991.371
Deferred consideration	34	**9.681.975**	-
Current tax liabilities	39	**499.195**	89.395
Provisions for other liabilities and charges	36	**-**	616.500
		28.028.325	64.869.472
Total liabilities		**140.192.827**	196.090.922
Total equity and liabilities		**562.877.185**	551.768.090

On 20 April 2023 the Board of Directors of MHV Mediterranean Hospitality Venture Limited authorised these consolidated financial statements for issue.

....

Charalambos Michael
Director

Achilleas Dorotheou
Director

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2022

	Note	Ordinay share capital €	Preference share capital €	Share premium €	Shareholder's contribution €	Revaluation reserve €	(Accumulated losses) /retained earnings €	Total €
Balance at 1 January 2021		**200**	**-**	**57.349.900**	**6.847.015**	**(76.105)**	**(3.589.998)**	**60.531.012**
Comprehensive income								
Net profit for the year		-	-	-	-	-	46.916.167	46.916.167
Other comprehensive income for the year		-	-	-	-	19.318.322	-	19.318.322
Total comprehensive income for the year		-	-	-	-	19.318.322	46.916.167	66.234.489
Transactions with owners								
Issue of share capital	31	520	185.200	231.349.213	-	-	-	231.534.933
Transfer between reserves		-	-	-	(6.847.015)	-	6.847.015	-
Loss from business acquisitions	23.1	-	-	-	-	-	(2.669.833)	(2.669.833)
Cancelled dividends		-	-	-	-	-	46.567	46.567
Total transactions with owners		520	185.200	231.349.213	(6.847.015)	-	4.223.749	228.911.667
Balance at 31 December 2021/ 1 January 2022		**720**	**185.200**	**288.699.113**	**-**	**19.242.217**	**47.549.918**	**355.677.168**
Comprehensive income								
Net profit for the year		-	-	-	-	-	344.074	344.074
Other comprehensive income for the year		-	-	-	-	106.663.116	-	106.663.116
Total comprehensive income for the year		-	-	-	-	106.663.116	344.074	107.007.190
Transactions with owners								
Redemption of redeemable preference shares during the year	31	-	(40.000)	(39.960.000)	-	-	-	(40.000.000)
Total transactions with owners		-	(40.000)	(39.960.000)	-	-	-	(40.000.000)
Other movements								
Transfer between reserves	23	-	-	-	-	(7.096.247)	7.096.247	-
Total other movements		-	-	-	-	(7.096.247)	7.096.247	-
Balance at 31 December 2022		**720**	**145.200**	**248.739.113**	**-**	**118.809.086**	**54.990.239**	**422.684.358**

The notes on pages 14 to 78 form an integral part of these consolidated financial statements.

The fair value reserve for land and buildings arises from the revaluation of land and buildings. When a revalued land or building is sold, the portion of the revaluation reserve associated with that asset is transferred directly to the accumulated profits.

The loss from business acquisitions during 2021 stems from the acquisition of "Aphrodite Hills Resorts Limited", which was made under common control (Note 23.1).

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65%, when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2022

	Note	**2022** €	2021 €
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(1.456.645)**	45.044.518
Adjustments for:			
Depreciation of property, plant and equipment	17	**7.811.288**	3.875.190
Depreciation of right-of-use assets	18	**1.036.197**	1.010.891
Amortization of grants		**-**	(57.477)
Unrealised exchange profit		**(1.004)**	(9.942)
Amortisation of intangible assets	20	**1.064.753**	203.706
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition		**-**	(44.352.346)
Share of profit from associates	24	**(225.256)**	(1.891)
Share of loss/(profit) from joint ventures	25	**165.146**	(5.812)
Profit from the sale of property, plant and equipment		**(52.160)**	(21.892)
Profit from the sale of investments in subsidiaries		**(2.181.740)**	-
Reversal of impairment loss on buildings	17	**(2.267.994)**	4.595.997
Impairment charge on land under development	26	**197.569**	558.854
Impairment charge on inventories	26	**1.056.312**	-
Impairment charge - intangible assets	20	**2.094.939**	-
Write off of property, plant and equipment	17	**1.024.598**	-
Fair value gains - investment property	19	**(100.000)**	(14.093.990)
Interest income	15	**(21.863)**	(33.276)
Interest expense	15	**4.428.101**	1.635.994
Provision for doubtful debtors		**167.488**	(13.057)
Provision for staff benefits		**-**	(3.966)
Reduction of liabilities (excluding banks)		**-**	1.283.343
Finance expenses		**534.106**	691.417
Amortisation of arrangement fees		**615.869**	-
		13.889.704	306.261
Changes in working capital:			
Decrease in inventories		**9.861.060**	1.249.845
Decrease in trade and other receivables		**17.789.339**	40.668.332
Decrease in receivables from other related parties		**-**	952
Decrease in contract assets		**-**	139.208
Increase in financial assets at fair value through profit or loss		**(1.000)**	-
Decrease in trade and other payables		**(11.584.431)**	(18.093.328)
Decrease in contract liabilities		**-**	(98.536)
Cash generated from operations		**29.954.672**	24.172.734
Tax paid		**(502.107)**	(647.779)
Debit interest and related expenses paid		**-**	(155.009)
Net cash generated from operating activities		**29.452.565**	23.369.946
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	20	**(1.000.000)**	(850)
Payment for purchase of property, plant and equipment	17	**(56.867.560)**	(3.977.761)
Payment for purchase of investment property	19	**-**	(309.803)
Acquisition of subsidiaries, net cash outflow on acquisition	22	**-**	(56.694.318)
Disposal of subsidiaries, cash inflow on disposal	23	**12.577.249**	-
Payment for purchase of investments held-to-maturity		**-**	(125.008)
Proceeds from disposal of property, plant and equipment		**-**	152.643

The notes on pages 14 to 78 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2022

	Note	**2022**	2021
		€	€
Deposits in joint ventures	25	**-**	(3.166)
Interest received		**-**	23.388
Dividends received from associate	24	**238.318**	-
Government grants received		**-**	16.360
Net cash used in investing activities		**(45.051.993)**	(60.918.515)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	31	**-**	231.678.432
Payments on redemption of redeemable shares	31	**(40.000.000)**	(94.000.000)
Repayments of borrowings	32	**(24.204.547)**	(3.006.386)
Payments of leases liabilities	33	**(528.509)**	(478.632)
Proceeds from borrowings	32	**30.500.000**	-
Interest paid	32	**(3.745.148)**	(5.135.297)
Payment of loan arrangement fees	32	**(1.811.318)**	-
Net cash (used in)/generated from financing activities		**(39.789.522)**	129.058.117
Net (decrease)/increase in cash and cash equivalents		**(55.388.950)**	91.509.548
Cash and cash equivalents at beginning of the year		**92.752.411**	1.242.863
Cash and cash equivalents at end of the year	**30**	**37.363.461**	92.752.411

1. Corporate information

Country of incorporation

MHV Mediterranean Hospitality Venture Limited (the "Company") was incorporated in Cyprus on 16 October 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Kyriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites, 1082 Nicosia, Cyprus.

Principal activities

The principal activities of the Group remained unchanged from last year. The Group acquires, repositions, manages as well as develops prime real estate assets in exclusive locations across the hospitality, residential and commercial sectors in Cyprus, Greece and the Mediterranean. The Group is also active in retail through its subsidiary MHV Lifestyle Limited.

The Group currently owns, develops and / or operates the following assets:

The Landmark Hotel in Nicosia Cyprus through its subsidiary, The Cyprus Tourism Development Company Limited.

The Parklane, a Luxury Collection Resort & Spa in Limassol Cyprus and the Park Tower which consists of 20 luxury apartments in Limassol Cyprus, through its subsidiary Parklane Hotels Limited.

Aphrodite Hills Resort in Paphos Cyprus (investment in joint venture), which includes a 5-star hotel, golf course, club, tennis and spa, through its subsidiary Aphrodite Hills Resort Limited. Among the activities of this sub - group is the development and sale of real estate in Aphrodite Hills and the provision of management, rental and other services to Aphrodite Hills homeowners and residents.

Nikki Beach Hotel in Porto Heli in Argolida Greece, through the subsidiary Porto Heli Hotel & Marina S.A.

The " Mare e Sabbia" boutique on the premises of the Parklane, a Luxury Collection Resort & Spa, Limassol, through its subsidiary MHV Lifestyle Limited.

The Group also owns a residential building complex in the district of Pyrgos, Limassol, which is used for the accommodation of Parklane Hotel staff. The property is owned by the subsidiary Stromay Holdings Limited.

Finally, the Group’s subsidiary MHV Bluekey One Single Member S.A. has purchased part of the Hotel Porto Paros in Paros Greece. There are agreements in place to acquire the 100% share of this hotel and the relevant purchase price has already been prepaid. These are currently shown in prepayments until the procedures are completed and the legal title deeds are transferred to the subsidiary.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2022 and relevant to the Company have been adopted by the EU through the endorsement procedure established by the European Commission.

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, and financial assets and financial liabilities at fair value through profit or loss.

2. Basis of preparation (continued)

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

3. Adoption of new or revised standards and interpretations

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022. This adoption did not have a material effect on the accounting policies of the Group.

4. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company MHV Mediterranean Hospitality Venture Limited and the financial statements of its subsidiaries, as disclosed in the Note 21 of the consolidated financial statements.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

4. Summary of significant accounting policies (continued)

Business combinations (continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

4. Summary of significant accounting policies (continued)

Investments in associates (continued)

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Joint arrangements

Joint arrangements are arrangements of which the Group has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In relation to its interest in a joint operation, the Group recognises its assets, liabilities, revenue and expenses including its share of those held or incurred jointly. Interests in joint ventures are recognised as an investment and are accounted for using the equity method as described in 'Investments in associates' above.

Acquisition for entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates". Goodwill on acquisitions of investments in joint ventures is included in "investments in joint ventures".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Any excess of the interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost is recognised immediately in profit or loss.

4. Summary of significant accounting policies (continued)

Revenue

Recognition and measurement

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

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

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

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

Identification of performance obligations

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

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

- **Sale of products**

  Sales of products are recognised at the point in time when the Group satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

4. Summary of significant accounting policies (continued)

Revenue recognition (continued)

- **Rendering of services**

  Rendering of services - over time:
  Revenue from rendering of services is recognised over time while the Group satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

  For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

  The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

  Rendering of services - at a point in time:
  The Group concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Commission income**

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

- **Land development and resale**

  Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

  The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

- **Rental income**

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

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition the Group operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Group. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance income

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

4. Summary of significant accounting policies (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currency translation

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

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

Tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the consolidated statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

4. Summary of significant accounting policies (continued)

Tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and approved by the Group's Directors.

Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. All other property, plant and equipment are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

	%
Bungalows	2
Buildings	0,93-4
Cultery, linen & uniforms	0-20
Plant and machinery	10-15
Golf courts	1
Leasehold improvements	3
Motor vehicles	20
Furniture, fixtures and office equipment	8-10
Computer hardware	20

No depreciation is provided on land and buildings under construction.

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

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

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

4. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. When revalued assets are sold, the amounts included in the fair value reserves are transferred to retained earnings.

Deferred income

Deferred income represents income receipts which relate to future periods.

Deferred income from government grants

Government grants on non-current assets acquisitions are credited to profit or loss in instalments over the estimated useful economic lives of the corresponding assets. This is achieved by deducting grants from the book value of these assets and the recognition of income through the reduced depreciation charge. Grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that relate to expenses are recognised in profit or loss as revenue.

Income from government grants

Government grants for financial assistance are recognized in the statement of comprehensive income as other operating income.

Investment properties

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

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

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

4. Summary of significant accounting policies (continued)

Intangible assets (continued)

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Amortisations are calculated using the straight-line method to deduct the cost or revaluation of each intangible asset over its expected useful life.

The annual amortisation rate used is 6-10%.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use. The annual amortisation rate used is 20-33,3%.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Leases

At inception of a contract, the Group assesses 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 assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

4. Summary of significant accounting policies (continued)

Leases (continued)

The Group as lessee

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 and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease 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 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.

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.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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 a purchase, 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 its right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' in the consolidated statement of financial position.

4. Summary of significant accounting policies (continued)

Impairment of non-financial assets

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

An impairment loss is recognized for the amount that the carrying amount of an asset (or Cash Generating Unit) exceeds its recoverable amount. Recoverable amount is the greater of the fair value less costs to sell and the present value (present value of estimated future cash flows) of the asset (or NPV). An impairment loss is recognized immediately in profit or loss unless the asset is presented at a revalued amount, in which case an impairment loss is recognized as a reduction in the revaluation reserve.

Financial assets

Financial assets - Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

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

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

The Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

The financial instruments measured at amortized cost are presented in the consolidated balance sheet net of the provision for expected credit losses.

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

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

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

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

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are included in current liabilities. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Classification as financial assets at amortised cost

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

Classification as trade receivables

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

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

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

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

Financial liabilities - measurement categories

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

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the consolidated statement of financial position date.

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities - Modifications

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

4. Summary of significant accounting policies (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Land and buildings under development

The cost of land and buildings under development and completed buildings for sale comprise the cost of acquiring the land and the development costs of the buildings. The development cost of the buildings includes raw materials, direct labour cost, depreciation of plant and equipment and other indirect costs of construction.

The land for development is carried at cost and included in land and buildings under development at the reporting date.

Work in progress

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity.

4. Summary of significant accounting policies (continued)

Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes denominated in Euro that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity on approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

When shares recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Non-current liabilities

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

Comparatives

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

5. New accounting pronouncements

Standards issued but not yet effective

Up to the date of approval of the consolidated financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Group has not early adopted, as follows:

(i) Issued by the IASB and adopted by the European Union

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 12 - "Income Taxes": Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) (effective for annual periods beginning on or after 1 January 2023).*

(ii) Issued by the IASB but not yet adopted by the European Union

- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022),(effective for annual periods beginning on or after 1 January 2024).*

The above are expected to have no significant impact on the Group's consolidated financial statements when they become effective.

6. Financial risk management objectives and policies

Financial risk factors
The Group is exposed to interest rate risk, credit risk, liquidity risk, tourist industry risk and capital risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

6.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

At the reporting date the interest rate profile of interest-bearing financial instruments was:

	2022	2021
	€	€
Variable rate instruments		
Financial liabilities	**80.358.901**	111.743.889
	80.358.901	111.743.889

Sensitivity analysis

A (decrease)/increase of 100 basis points in interest rates at 31 December 2022 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

6. Financial risk management objectives and policies (continued)

6.1 Interest rate risk (continued)

	Equity		Profit or loss	
	2022	2021	**2022**	2021
	€	€	**€**	€
Variable rate instruments	**1.045.857**	718.116	**1.045.857**	718.116
	1.045.857	718.116	**1.045.857**	718.116

6.2 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, as well as trade and other receivables.

(i) Risk management

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

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:
- trade receivables
- receivables from related parties
- cash and cash equivalents

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

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

Significant increase in credit risk

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

6. Financial risk management objectives and policies (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

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

Default

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

Write-off

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

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

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, and contract assets).

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2022 or 1 January 2022 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

6. Financial risk management objectives and policies (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Trade receivables (continued)

The following gross accounting amounts represent the Group's maximum exposure to credit risk for these assets at 31 December 2022 and 31 December 2021:

	2022	2021
	€	**€**
Gross carrying amount - trade receivables (Note 27)	**2.269.511**	3.736.311

There were no significant trade receivables and contract asset balances written off during the year that are subject to enforcement activity.

Receivables from related parties

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

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

Group internal credit rating	**2022**	2021
	€	€
Performing	**775.708**	70.089
Total	**775.708**	70.089

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

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

Cash and cash equivalents

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

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

6. Financial risk management objectives and policies (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Cash and cash equivalents (continued)

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2022 and 31 December 2021:

External credit rating	**2022**	2021
	€	€
A3	**-**	3.661
B1	**-**	8.753.760
B2	**-**	13.660.555
B3	**-**	12.298
A1	**13.706.310**	-
Ba2	**21.955.078**	-
Ba3	**1.570.223**	-
Non-rated	**-**	74.330.748
Total	**37.231.611**	96.761.022

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

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

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

6.3 Liquidity risk

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

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

31 December 2022	Carrying amounts	Contractual cash flows	Up to 12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€
Bank loans	80.358.901	106.505.141	5.874.868	8.874.153	20.474.326	71.281.794
Lease liabilities	2.407.688	3.694.404	181.800	181.800	570.804	2.760.000
Trade and other payables	7.945.445	7.945.445	7.945.445	-	-	-
Payables to related parties	4.940	4.940	4.940	-	-	-
	90.716.974	**118.149.930**	**14.007.053**	**9.055.953**	**21.045.130**	**74.041.794**

6. Financial risk management objectives and policies (continued)

6.3 Liquidity risk (continued)

31 December 2021	Carrying amounts	Contractual cash flows	Up to 12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€
Bank loans	107.568.450	126.803.327	14.931.690	13.052.650	31.682.728	67.136.259
Lease liabilities	4.427.200	5.944.323	1.146.136	781.891	1.136.296	2.880.000
Bank overdrafts	4.175.430	4.175.430	4.175.430	-	-	-
Trade and other payables	12.895.166	12.895.166	12.895.166	-	-	-
Payables to related parties	24.941.523	24.941.523	24.941.523	-	-	-
Contractual obligations	616.500	616.500	616.500	-	-	-
	154.624.269	175.376.269	58.706.445	13.834.541	32.819.024	70.016.259

6.4 Tourist industry risk

- The political situation in Cyprus, Greek-Turkish relations and the political situation in the South-eastern Mediterranean area may seriously impact the tourism industry.
- The operations of the Group are characterised by a high degree of seasonality, between the summer and winter months. Specifically, the Group's high season is in the summer, between April and October, and its low season between the months of November and March.
- The competitiveness of Cyprus and Greece in the international tourism market and the increasing competition within the Cypriot and Greek markets may affect the results of the Group, due to the fact that the major part of operations is carried out during the summer period.
- The economic situation in Europe and the United States may adversely affect the tourism industry due to the fact that the largest number of tourists comes from Europe and the United States.
- The negative impacts of the Covid19 pandemic in the economy in general.
- Military action with the Russian invasion of Ukraine could negatively affect the tourism of Cyprus as it is significantly dependent on the Russian market.

6.5 Capital risk management

Capital includes equity shares and share premium and redeemable preference shares.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions, in order to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

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

7. Critical accounting estimates, judgments and assumptions

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

7. Critical accounting estimates, judgments and assumptions (continued)

Critical accounting estimates and assumptions

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

- **Calculation of loss allowance**

  When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

  Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

  Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Disclosures regarding the method used, significant assumptions and sensitivity on such assumptions are presented in note 6.

- **Work in progress**

  Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

7. Critical accounting estimates, judgments and assumptions (continued)

Critical judgements in applying the Group's accounting policies

- **Fair value of investment property**

  The fair value of investment property is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

  The properties were revalued at fair value in November 2022 (investment property of Aphrodite Hills Resort Limited) and December 2021 based on an assessment made by independent real estate appraisers, with appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value of land and buildings was determined based on the income capitalization approach. The income capitalization approach uses the EBITDA of the property and distributes these future benefits to the mortgage and equity data, based on market performance rates and loan-to-value ratios. The value of each item is calculated through discounted cash flows and an income capitalization approach. The total of the mortgage item and the net worth item is equal to the value of the property. This approach is often chosen as the preferred valuation method for income-generating properties because it better reflects the investment thinking of informed buyers.

  Disclosures regarding the method used, significant assumptions and sensitivity on such assumptions are presented in note 8.

- **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 note 6, Credit risk section.

- **Impairment of goodwill**

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

- **Useful live of depreciable assets**

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

- **Fair value of land and buildings**

  The fair value of real estate is determined on the basis of market value, which is the value in the free market, based on estimates by Management and independent appraisers. The Management makes a judgment to determine the market value and makes assumptions, which are based mainly on the real estate market situation at each balance sheet date.

7. Critical accounting estimates, judgments and assumptions (continued)

Land and buildings were revalued at fair value in December 2022 and December 2021 based on an assessment made by independent real estate appraisers, with appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value of land and buildings was determined based on the income capitalization approach. The income capitalization approach uses the EBITDA of the property and distributes these future benefits to the mortgage and equity elements, based on market performance rates and loan-to-value ratios. The value of each item is calculated through discounted cash flows and an income capitalization approach. The total of the mortgage item and the net worth item is equal to the value of the property. This approach is often chosen as the preferred valuation method for income-generating properties because it better reflects the investment thinking of informed buyers.

Disclosures regarding the method used, significant assumptions and sensitivity on such assumptions are presented in note 8.

8. Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2022	Level 1	Level 2	Level 3	Total
	€	€	€	€
Assets measured at fair value				
Property, plant and equipment (Note 17)	-	-	347.014.092	347.014.092
Total	**-**	**-**	**347.014.092**	**347.014.092**

31 December 2021	Level 1	Level 2	Level 3	Total
	€	€	€	€
Assets measured at fair value				
Property, plant and equipment (Note 17)	-	-	261.318.797	261.318.797
Investment properties (Note 19)	-	-	31.500.000	31.500.000
Total	-	-	292.818.797	292.818.797

The fair value of property, plant and equipment and inventories has been determined by external independent property appraisers who have the appropriate recognised professional qualifications and recent experience in the location and category of property being valued.

The calculation of fair value for all properties has been categorized in Level 3 of fair value based on the data used in the appraisal technique.

Transfers between levels

There have been no transfers between different levels during the year.

8. Fair value measurement (continued)

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2022 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Property, Plant and Equipment					
Building Coefficient	78.600.000	Sales comparison approach - Income/ Discounted cash flow approach	Discount rate	11%	The higher, the lower the fair value
			Average selling price	€18.200 per sq.m.	The higher, the higher the fair value
			Average construction cost	€3.800 per sq.m.	The higher, the lower the fair value
Hotels	254.738.092	Income capitalization method/ Discounted Cash Flow Analysis	Occupancy rate	44% - 74%	The higher, the higher the fair value
			Average room rate	€184 - €496	The higher, the higher the fair value
			Discount rate	9,4% - 10%	The higher, the lower the fair value
Land under development	5.430.000	Sales comparison approach	Average selling price - residential plot	€5.148 per sq.m.	The higher, the higher the fair value
			Average selling price - commercial plot	€242 per sq.m.	The higher, the higher the fair value
			Average selling price - empty plot	€127 per sq.m.	The higher, the higher the fair value

8. Fair value measurement (continued)

Description	Fair value at 31 December 2022 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Residential properties	8.246.000	20 % Depreciated Replacement Cost and 80% Discounted Cash Flow Analysis	Average purchase price of plot	€180 per sq.m.	The higher, the lower the fair value
			Average cost of construction per sq.m. - walled areas/covered areas	€1.500/€750 per sq.m.	The higher, the lower the fair value
			Average selling price per sq.m.	1st Floor: €3.600 - €3.700 2nd Floor: €3.700 -€3.800 Corner flats: 2% higher Common areas (kitchen) €3.000	The higher, the higher the fair value
			Discount rate	11,1%	The higher, the lower the fair value

8. Fair value measurement (continued)

Description	Fair value at 31 December 2021 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Property, Plant and Equipment					
Building Coefficient	6.700.000	Sales comparison approach - Income/ Discounted cash flow approach	Discount rate	11%	The higher, the lower the fair value
			Average selling price	€8.992 per sq.m.	The higher the, higher the fair value
			Average construction cost	€2.200 per sq.m.	The higher, the lower the fair value
Hotels	238.665.559	Income capitalization method/ Discounted Cash Flow Analysis	Occupancy rate	39% -72%	The higher, the higher the fair value
			Average room rate	€142-€483	The higher, the higher the fair value
			Discount rate	9%-10,6%	The higher, the lower the fair value
Golf/Tennis Courts	4.354.709	Income capitalization method/ Discounted Cash Flow Analysis	Stabilization year	2022	
			Inflation	3,5%	The higher, the lower the fair value
			Transaction costs	1,5%	The higher, the lower the fair value
			Capitalization rate	9%	The higher, the lower the fair value
			Discount rate	12,8%	The higher, the lower the fair value

8. Fair value measurement (continued)

Description	Fair value at 31 December 2021 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Restaurants (Village Square Restaurants)	1.811.528	Income capitalization method/ Discounted Cash Flow Analysis	Inflation	1,5%	
			Transaction costs	1,5%	The higher, the lower the fair value
			Capitalization rate	9%	The higher, the lower the fair value
			Discount rate	12,5%	The higher, the lower the fair value
Land under development	1.400.000		Purchase price		
Residential properties	8.387.000		Purchase price		
Investment properties					
Commercial properties (Village Square)	2.400.000	Income capitalization method/ Discounted Cash Flow Analysis		Inflation	1,5%
			Capitalization rate	6,8%	The higher, the lower the fair value
			Transaction costs	1,5%	The higher, the lower the fair value
			Discount rate	8,5%	The higher, the lower the fair value

8. Fair value measurement (continued)

Description	Fair value at 31 December 2021 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Land under development (transferred to inventories)	29.100.000	Income capitalization method/ Discounted Cash Flow Analysis	Average monthly rental price per sq.m.	€21,5	The higher, the higher the fair value
			Average monthly rental price per sq.m. (Storage)	€7	The higher, the higher the fair value
			Vacancy rate	5%	The higher, the lower the fair value
			Construction cost per sq.m.	€899	The higher, the lower the fair value
			Professional expenses per sq.m.	€442	The higher, the lower the fair value
			Discount rate	5,85% (rented)/ 6,70% (available)	The higher, the lower the fair value

Sensitivity of Management's estimates 31 December 2022

Description	Change
Property, plant and equipment	
Building Coefficient	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€74.040.000 - €86.470.000**
Hotels	
Change in occupancy rate	+/- 10%
Discount rate change	+/- 10%
Change in average room rate	+/- 10%
Fair value range based on changes in key estimates	**€219.370.000 - €296.580.000**
Land under development	
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€4.890.000 - €5.970.000**
Residential properties	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€7.516.000- €8.996.000**

8. Fair value measurement (continued)

Sensitivity of Management's estimates 31 December 2021

Description	Change
Property, plant and equipment	
Building Coefficient	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€4.100.000-€9.200.000**
Hotels	
Change in capitalization rate	+/- 10%
Discount rate change	+/- 10%
Change in construction costs	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€231.030.000 – €361.200.000**
Golf/Tennis Courts	
Change in capitalization rate	+/- 10%
Discount rate change	+/- 10%
Fair value range based on changes in key estimates	**€4.000.000-€5.100.000**
Restaurants (Village Square Restaurants)	
Change in capitalization rate	+/- 10%
Discount rate change	+/- 10%
Fair value range based on changes in key estimates	**€1.100.000-€1.400.000**
Investment properties	
Discount rate change	+/- 10%
Change in construction costs	+/- 10%
Fair value range based on changes in key estimates	**€22.800.000-€41.600.000**
Land under development	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€1.400.000-€1.800.000**

9. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time in the following major product lines.

Disaggregation of revenue	2022	2021
	€	€
Hotel Operations	56.225.094	31.363.780
Property management	8.422.114	560.873
Real estate development	29.506.708	30.792.217
Boutique sales	339.424	201.751
Other operations	5.143.922	1.978.336
	99.637.262	64.896.957

10. Cost of sales

	2022	2021
	€	€
Changes in inventories	18.927.965	29.577.578
Salaries (Note 14)	22.388.660	10.864.697
Purchases	7.324.163	4.333.445
Purchases return	(2.146)	(2.551)
Direct costs - goods, materials and services	336.377	432.859
Other direct costs	2.752.801	2.151.255
Departmental expenses	7.443.536	780.695
Commissions payable	2.574.009	1.067.091
Night guard expenses	37.432	13.224
Entertainment	602.597	145.001
Gardening expenses	795.241	80.952
Uniforms	12.313	136.329
Repairs and maintenance	2.834.685	1.062.038
	66.027.633	50.642.613

11. Other income

	2022	2021
	€	€
Government grants	-	404.755
Rental income	177.339	112.638
Other income	719.623	18.778
	896.962	536.171

Government grants relate to the amount received due to the effects of the Covid-19 pandemic.

12. General and administration expenses

	2022	2021
	€	€
Salaries (Note 14)	**4.705.107**	3.171.755
Security expenses	**73.441**	34.921
Licenses and taxes	**446.138**	560.127
Annual levy	**2.995**	1.400
Electricity, fuel, water, sewerage and cleaning	**7.916.085**	3.035.296
Insurance	**499.676**	258.491
Repairs and maintenance	**9.304**	156.057
Sundry expenses	**1.517.413**	1.157.251
Telephone and postage	**80.491**	66.472
Stationery and printing	**99.629**	15.667
Subscriptions and contributions	**92.398**	130.424
Rent and operating lease rentals	**4.923**	41.500
Sundry staff costs	**197.980**	4.992
Auditor's remuneration - current year	**188.550**	80.100
Auditor's remuneration - prior years	**38.086**	8.885
Legal and professional	**2.519.338**	3.094.791
Fines	**44.568**	86.736
Travelling	**198.880**	114.216
Irrecoverable VAT	**188.741**	126.616
General provision for bad debts	**167.488**	-
Entertainment	**128.741**	121.427
Management fees	**140.258**	2.650.000
Advertising and promotion costs	**1.032.964**	413.573
Amortisation (Note 20)	**1.064.753**	203.706
Depreciation (Notes 17 + 18)	**8.847.485**	4.886.081
	30.205.432	20.420.484

13. Other losses/ (gains) - net

	2022	2021
	€	€
Profit on disposal of property, plant and equipment	**(52.160)**	(21.892)
Impairment charge - land under development (Note 26)	**197.569**	558.854
(Reversal of impairment loss) / Impairment loss on buildings (Note 17)	**(2.267.994)**	4.595.997
Impairment charge - inventories (Note 26)	**1.056.312**	-
Impairment charge - intangible assets (Note 20)	**2.094.939**	-
Write off of property, plant and equipment (Note 17)	**1.024.598**	-
Fair value gains on investment property (Note 19)	**(100.000)**	(14.093.990)
Reversal of impairment allowance for trade receivables	**-**	(13.057)
	1.953.264	(8.974.088)

14. Salaries

	2022	2021
	€	€
Salaries	**22.928.267**	11.847.684
Social security, provident fund and other contributions	**3.338.890**	1.503.893
Bonuses	**705.613**	637.454
Other - Business meals, travel and accommodation	**120.997**	47.421
	27.093.767	14.036.452

Average number of employees (including Directors in their executive capacity):		
Full time	**710**	702
Part time	**329**	148
	1.039	850

15. Finance income/(costs)

	2022	2021
	€	€
Finance income		
Bank interest	**21.863**	7
Interest income - on financing activities	**-**	12.659
Interest receivable	**-**	10.722
Unrealised foreign exchange profit	**5.627**	9.973
	27.490	33.361
Finance costs		
Interest expense		
Interest expense	**(4.077.156)**	(1.251.621)
Effective interest expenses on deferred consideration (Note 34)	**(313.833)**	(222.284)
Interest expense on lease liabilities	**(155.278)**	(131.276)
Loan arrangement fees	**-**	(68.076)
Sundry finance expenses		
Bank charges	**(639.851)**	(218.432)
Bank commission on letters of guarantee	**(140.000)**	(665.470)
Mortgage expenses	**(622.215)**	(130.010)
Sundry finance costs	**(120.924)**	-
Net foreign exchange losses		
Unrealised foreign exchange loss	**(4.623)**	(31)
	(6.073.880)	(2.687.200)
Net finance costs	**(6.046.390)**	(2.653.839)

16. Tax

	2022	2021
	€	€
Corporation tax	**1.108.258**	10.914
Defence contribution	**5.419**	980
Deferred tax - credit (Note 35)	**(2.914.396)**	(1.883.543)
Credit for the year	**(1.800.719)**	(1.871.649)

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

	2022	2021
	€	€
(Loss)/profit before tax	**(1.456.645)**	45.044.518
Tax calculated at the applicable tax rates	**(182.081)**	5.630.565
Tax effect of expenses not deductible for tax purposes	**1.167.929**	2.998.086
Tax effect of allowances and income not subject to tax	**122.410**	(8.444.420)
Tax effect of tax losses brought forward	**-**	(173.317)
Defence contribution current year	**5.419**	980
Deferred tax	**(2.914.396)**	(1.883.543)
Tax charge/ (credit)	**(1.800.719)**	(1.871.649)

The corporation tax rate in Cyprus is 12,5%. In addition, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

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

The corporation tax rate in Greece is 22%. Under certain conditions interest income may be subject to tax at the rate of 15%. In such cases this interest will be exempt from corporation tax.

17. Property, plant and equipment

	Land and buildings	Property under construction	Cultery, linen & uniforms	Motor vehicles	Furniture, fixtures and office equipment	Computers hardware	Total
	€	€	€	€	€	€	€
Cost or valuation							
Balance at 1 January 2021	45.741.380	-	-	40.000	11.093.414	-	56.874.794
Acquisitions through business combinations	188.563.618	-	2.218.725	211.312	31.620.107	4.259.382	226.873.144
Additions	3.073.834	254.596	51.154	-	571.527	26.650	3.977.761
Disposals	-	-	-	(40.000)	(277.865)	-	(317.865)
Adjustment on revaluation	24.632.594	-	-	-	-	-	24.632.594
Impairment charge (Note 13)	(4.595.997)	-	-	-	-	-	(4.595.997)
Balance at 31 December 2021/ 1 January 2022	**257.415.429**	**254.596**	**2.269.879**	**211.312**	**43.007.183**	**4.286.032**	**307.444.431**
Reclassification	(13.655.207)	7.837.644	79.235	-	3.690.405	53.850	(1.994.073)
Additions	39.924.396	15.668.132	155.022	-	1.001.328	118.682	56.867.560
Write off of property, plant and equipment (Note 13)	-	-	-	-	(10.002.794)	-	(10.002.794)
Disposals from disposals of subsidiaries (Note 23)	(68.726.875)	-	-	-	(19.921.564)	(3.395.739)	(92.044.178)
Revaluation adjustment	132.960.475	-	-	-	-	-	132.960.475
Reversal of impairment charge (Note 13)	2.116.104	151.890	-	-	-	-	2.267.994
Balance at 31 December 2022	**350.034.321**	**23.912.262**	**2.504.136**	**211.312**	**17.774.557**	**1.062.825**	**395.499.413**
Depreciation							
Balance at 1 January 2021	1.720.394	-	-	40.000	9.502.832	-	11.263.226
Acquisitions through business combinations	8.616.517	-	-	93.464	19.169.205	3.234.031	31.113.217
Charge for the year	2.113.228	-	-	35.923	1.622.631	103.408	3.875.190
On disposals	-	-	-	(40.000)	(167.924)	-	(207.924)
Balance at 31 December 2021/ 1 January 2022	**12.450.139**	**-**	**-**	**129.387**	**30.126.744**	**3.337.439**	**46.043.709**
Reclassification	(1.994.074)	-	-	-	318	(318)	(1.994.074)
Charge for the year	5.394.758	-	-	6.762	2.164.512	245.256	7.811.288
Disposals from disposals of subsidiaries (Note 23)	(9.413.479)	-	-	-	(17.959.834)	(2.670.865)	(30.044.178)
Write off of property, plant and equipment (Note 13)	-	-	-	-	(8.978.195)	-	(8.978.195)
Balance at 31 December 2022	**6.437.344**	**-**	**-**	**136.149**	**5.353.545**	**911.512**	**12.838.550**
Net book amount							
Balance at 31 December 2022	**343.596.977**	**23.912.262**	**2.504.136**	**75.163**	**12.421.012**	**151.313**	**382.660.863**
Balance at 31 December 2021	**244.965.290**	**254.596**	**2.269.879**	**81.925**	**12.880.439**	**948.593**	**261.400.722**

During the year 2022, property under construction of €10.869.046 of the subsidiary, Parklane Hotels Limited, was reclassified to the appropriate category of property and equipment as it was completed and it was ready for use.

17. Property, plant and equipment (continued)

During the year 2022, buildings with a net book value of €18.706.690 (cost €20.700.764 minus accumulated depreciation €1.994.074) of the subsidiary, The Cyprus Tourism Development Company Limited, was reclassified to Buildings under construction as the hotel is currently under renovation.

The land and buildings have been used as collateral in the Group's loan agreements, as noted in Note 32.

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2022	2021
	€	€
Cost	**208.681.518**	237.633.428
Accumulated depreciation	**(6.437.344)**	(12.450.139)
Net book amount	**202.244.174**	225.183.289

Fair value hierarchy

The methodology and information used to estimate fair values at the date of transfer are given in Note 8.

18. Right-of-use assets

	Beach Leases	**Properties**	**Residential properties**	**Total**
	€	€	€	**€**
Cost				
Acquisitions through business combinations	2.230.619	206.568	1.472.724	3.909.911
Additions	-	326.844	1.255.470	1.582.314
Balance at 31 December 2021/ 1 January 2022	**2.230.619**	**533.412**	**2.728.194**	**5.492.225**
Additions	-	-	243.430	243.430
Disposals from disposals of subsidiaries	-	-	(2.971.624)	(2.971.624)
Balance at 31 December 2022	**2.230.619**	**533.412**	**-**	**2.764.031**
Depreciation				
Acquisitions through business combinations	139.414	51.642	586.929	777.985
Charge for the year	69.707	111.068	830.116	1.010.891
Balance at 31 December 2021/ 1 January 2022	**209.121**	**162.710**	**1.417.045**	**1.788.876**
Charge for the year	69.707	59.426	907.064	1.036.197
Disposals from disposals of subsidiaries	-	-	(2.324.109)	(2.324.109)
Balance at 31 December 2022	**278.828**	**222.136**	**-**	**500.964**
Net book amount				
Balance at 31 December 2022	**1.951.791**	**311.276**	**-**	**2.263.067**
Balance at 31 December 2021	**2.021.498**	**370.702**	**1.311.149**	**3.703.349**

19. Investment properties

	2022	2021
	€	€
Balance at 1 January	**2.400.000**	14.796.207
Additions	**-**	309.803
Transfer to inventories	**-**	(29.100.000)
Acquired through business combination	**-**	2.300.000
Disposals from disposals of subsidiaries (Note 23)	**(2.500.000)**	-
Fair value adjustment (Note 13)	**100.000**	14.093.990
Balance at 31 December	**-**	2.400.000

The Company's investment properties are measured at fair value. Changes in fair values are presented in the statement of profit or loss and other comprehensive income.

Investment properties consist of commercial real estate, which is leased to third parties for a period of one year, with the possibility of automatic renewal.

On 24 November 2022, the Company sold its 50% share in Aphrodite Hills Resort Limited, which owns the investment properties. The remaining investment was then reclassified to investments in joint ventures based on its fair value of net assets retained at the date of sale (Note 25). As a result, the Aphrodite Hills Resort Limited sub - group is no longer consolidated and the MHV Group has no investment properties as at 31 December 2022.

On 31 December 2021 an amount of € 29.100.000 relating to land for development (building coefficient of CTDC's office tower) was reclassified from investment properties to inventories due to a change in use (Note 26).

Investment properties have been used as collateral in the loan agreements of the Group (Note 32).

The methodology and information used to estimate fair value at the date of transfer are given in Note 8.

20. Intangible assets

	Goodwill €	Intangible assets €	Total €
Cost			
Balance at 1 January 2021	-	403.645	403.645
Additions (Note 22)	2.856.252	850	2.857.102
Additions from acquisitions of subsidiaries	-	13.325.817	13.325.817
Balance at 31 December 2021/ 1 January 2022	**2.856.252**	**13.730.312**	**16.586.564**
Additions	-	1.000.000	1.000.000
Disposals from disposals of subsidiaries (Note 23)	-	(13.300.000)	(13.300.000)
Balance at 31 December 2022	**2.856.252**	**1.430.312**	**4.286.564**
Amortisation			
Balance at 1 January 2021	-	305.006	305.006
Amortisation for the year	-	203.706	203.706
Balance at 31 December 2021/ 1 January 2022	**-**	**508.712**	**508.712**
Amortisation for the year	-	1.064.753	1.064.753
Impairment charge (Note 13)	-	2.094.939	2.094.939
Disposals from disposals of subsidiaries (Note 23)	-	(3.200.000)	(3.200.000)
Balance at 31 December 2022	**-**	**468.404**	**468.404**
Net book amount			
Balance at 31 December 2022	**2.856.252**	**961.908**	**3.818.160**
Balance at 31 December 2021	**2.856.252**	**13.221.600**	**16.077.852**

The goodwill is distributed to the cash-generating units and the goodwill included in the financial statements of the Group represents the goodwill paid for the acquisition of the subsidiary "Porto Heli Hotel & Marina S.A." (Note 22).

The intangible assets as of 31 December 2022 include licence fee and computer software. Additions of €1.000.000 relate to a licence fee payable by the subsidiary Parklane Hotels Limited to a non-related party, who acts as the operator under the agreement dated 24 May 2022. According to the agreement, the operator provides restaurant consultancy services in relation to the fit-out of a new restaurant at the Hotel and operates and manages the restaurant under a brand name for a duration of 10 years.

The intangible assets as of 31 December 2021 also included property management services, arising from Aphrodite Hills Resort Limited sub-group (Note 21). These were disposed off during 2022 following partial disposal of Aphrodite Hills sub-group (Note 23). At the date of the disposal, the intangible assets were assessed for impairment which resulted to an impairment charge of €2.094.939 (Note 13).

Impairment assessment

Goodwill

The recoverable amount of the above CGUs has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by Management covering a five-year period. The Management prepares the financial budgets based on past performance experience and its expectations for business and market developments. The discount rate used does not include the tax effects and reflects specific risks relating to the CGU.

The impairment test have not shown any impairment losses either for 2022 or for 2021.

20. Intangible assets (continued)

Intangible assets

The recoverable amount of the intangible assets has been determined based on valuation techniques. The estimated recoverable amount of intangible assets relating to property management services was meausured at their estimated fair value less costs to sell based on an assessment made by independent real estate appraisers.

The recoverable amount has resulted in an impairment charge of €2.094.939.

21. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2022 Holding %	2021 Holding %
The Cyprus Tourism Development Company Limited	Cyprus	Hotels, tourism and real estate	100	100
Parklane Hotels Limited	Cyprus	Hotels, tourism and real estate	100	100
Porto Heli Hotel & Marina S.A	Greece	Hotels, tourism and real estate	100	100
Aphrodite Hills Resort Limited (Note 25)	Cyprus	Hotels, tourism and real estate	-	100
Aphrodite Hotels Limited (Note 25)	Cyprus	Hotels, tourism and real estate	-	100
Aphrodite Hills Services Limited (Note 25)	Cyprus	Provision of drainage and security services to properties located at Aphrodite Hills	-	100
Aphrodite Hills Property Management Limited (Note 25)	Cyprus	Provision of repairs, maintenance and rentals to owners/residents	-	100
The Aphrodite Tennis & Spa Limited (Note 25)	Cyprus	Operation of a tennis academy	-	100
MHV Lifestyle Limited	Cyprus	Retail	100	100
Stromay Holdings Limited	Cyprus	Holding of investments	100	100
MHV IA Limited (Formerly Bartelli Ltd) (Note 28)	Cyprus	Dormant	-	100
Parklane Beach Bar Limited	Cyprus	Dormant	100	100
MHV Bluekey One Single Member S.A.	Greece	Hotels, tourism and real estate	100	100

On 24 November 2022, the Company sold its 50% share in Aphrodite Hills Resort Limited sub-group (Note 23). The remaining 50% investment was then classified as investment in joint ventures based on its fair value at the date of sale (Note 25).

On 23 December 2022, MHV IA Limited decided to increase its authorised and issued share capital. The Company did not acquire any of the new shares and thus lost control of MHV IA Limited retaining only a holding of 11% (Note 23). The remaining investment was then reclassified to financial assets at fair value through profit or loss based on its fair value at the date of sale (Note 28).

All subsidiaries are included in the consolidation.

22. Acquisition of subsidiaries

No significant acquisitions occurred during the year ended 31 December 2022.

During the year 2021 the Group acquired through business combinations the following subsidiaries. All these transactions had been accounted for with the acquisition method of accounting.

Name	Acquisition date	Percentage acquired	Country and principal activity
Parklane Hotels Limited	09/04/2021	100	Cyprus, Hotels, tourism and real estate
Porto Heli Hotel & Marina S.A.	12/05/2021	100	Greece, Hotels, tourism and real estate
Stromay Holdings Limited	14/10/2021	100	Cyprus, Holding of investments

Goodwill arising on consolidation:

	Parklane Hotels Limited	Porto Heli Hotel & Marina S.A.	**Total**
	€	€	**€**
Consideration price	61.084.383	5.116.662	**66.201.045**
Less: Fair value of the net assets acquired	(105.436.730)	(2.260.410)	**(107.697.140)**
Goodwill arising on consolidation: (Note 20)	(44.352.347)	2.856.252	**(41.496.095)**

The fair value of assets and liabilities acquired were as follows:

	2021Parklane Hotels Limited	2021Porto Heli Hotel & Marina S.A. (2021)	Fair Value 2021
	€	€	€
Intangible assets	-	25.817	25.817
Property, plant and equipment	124.900.000	10.074.183	134.974.183
Other non-current receivables	-	17.500	17.500
Inventories	75.765.705	33.402	75.799.107
Trade and other receivables	9.259.854	99.428	9.359.282
Cash at bank and in hand	2.586.665	60.679	2.647.344
Righ-of use assets	2.073.778	142.015	2.215.793
Trade and other creditors	(32.510.979)	(430.002)	(32.940.981)
Lease liabilities	(2.178.427)	(146.880)	(2.325.307)
Borrowings	(72.923.685)	(4.137.820)	(77.061.505)
Government grant from a repayable advance payment	-	(159.063)	(159.063)
Deferred tax liabilities	(1.536.181)	-	(1.536.181)
Other long-term liabilities	-	(3.314.361)	(3.314.361)
Obligations of staff benefits due to leaving service	-	(4.488)	(4.488)
Net assets of subsidiaries	**105.436.730**	**2.260.410**	**107.697.140**
Net assets acquired	**105.436.730**	**2.260.410**	**107.697.140**

For the purposes of the consolidated cash flow statement, the net cash outflow from the acquisition includes	2021
	€
Cash consideration paid	74.751.069
Cash and cash equivalents acquired	(2.647.344)
Non-cash transactions for the acquisition of subsidiaries	(15.409.407)
Net cash inflow on acquisition	56.694.318

22. Acquisition of subsidiaries (continued)

Part of the acquisition of the subsidiaries concerns deferred consideration (Note 27) and transfer of investment property.

"Parklane Hotels Limited" has contributed to the Group revenues of € 55.691.284 and a profit of € 4.262.397 for the period from April 9, 2021 to December 31, 2021.

"Porto Heli Hotel & Marina S.A" has contributed to the Group revenues of € 3.037.018 and a loss of € 373.189 for the period from 12 May 2021 to 31 December 2021.

22.1 Common control transaction

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity. On 11 November 2021, the acquisition of Aphrodite Hills sub-group was considered as common control transaction and no goodwill has been recognized. The difference between agreed consideration for the acquisition of AHRL shares and the fair value of Net Assets Acquired was recognized as loss directly in equity.

No significant common control transaction occurred during 2022.

23. Disposal of subsidiaries

On 24 November 2022, the Company sold its 50% share in Aphrodite Hills Resort Limited sub-group for a total nominal consideration of €27.865.000 (fair value of €26.846.813 after discounting of deferred consideration part to present value). An amount of €17.365.835 was received during the year and the remaining amount of €10.500.000 (discounted at a present value of €9.480.977) is deferred and included in "Other receivables" (Note 27). The carrying amount of the net assets of the sub-group at the date of the disposal was €51.834.212. The fair value of the retained interest recognised as investment in joint ventures was €27.169.139 (Note 25). Thus, the profit on disposal of subsidiary was €2.181.740 (€26.846.813 plus €27.169.139 minus €51.834.212). As a result of the sale, all the assets and liabilities of the Aphrodite Hills Resort Limited sub-group were removed from the consolidation. The accumulated revaluation gains of €7.096.247 recognised in revaluation reserve in relation to this subsidiary were transferred to retained earnings on the date of the sale. The remaining 50% investment was then classified as investment in joint ventures based on its fair value at the date of sale (Note 25).

On 23 December 2022, MHV IA Limited decided to increase its authorised and issued share capital. The Company did not acquire any of the new shares and thus lost control of MHV IA Limited retaining only a holding of 11%. The remaining investment was then reclassified to financial assets at fair value through profit or loss based on its fair value at the date of sale (Note 28). Impact of this deemed disposal was immaterial as MHV IA Limited was dormant. As a result of the sale, all the assets and liabilities of the MHV IA Limited were removed from the consolidation.

23. Disposal of subsidiaries (continued)

The carrying amounts as at the disposal date of assets and liabilities of Aphrodite Hills sub-group disposed were as follows:

	Aphrodite Hills Resort Limited sub-group
	€
Intangible assets	10.100.000
Property, plant and equipment	62.000.000
Investment property	2.500.000
Deferred tax assets	657.305
Investment in associate	431.872
Right of use asset	647.515
Inventories	32.037.638
Trade and other receivables	6.012.174
Tax refundable	100.000
Other assets	112.530
Cash at bank and in hand	4.788.587
Trade and other payables and provisions	(23.373.759)
Borrowings including finance leases	(32.523.396)
Lease liabilities	(1.889.710)
Corporation tax liability	(181.447)
Deferred tax liabilities	(9.585.097)
Net assets disposed	**51.834.212**
Fair value of consideration received	26.846.813
Cash and cash equivalents disposed	(4.788.587)
Deferred cash consideration	(9.480.977)
Cash inflow on disposal	**12.577.249**

Aphrodite Hills Resort Limited sub-group contributed €31.104.774 of revenues and €6.845.522 of loss before tax for the period between the dates of the opening reporting date and the disposal date.

MHV IA Limited contributed €14.958 of loss before tax for the year.

24. Investments in associates

	2022	2021
	€	€
Balance at 1 January	**444.934**	-
Additions from business combinations	**-**	443.043
Disposals	**(431.872)**	-
Share of results of associates	**225.256**	1.891
Dividends received	**(238.318)**	-
Balance at 31 December	**-**	444.934

24. Investments in associates (continued)

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	**2022 Holding %**	2021 Holding %
Aphrodite Hills Pantopoleion Limited	Cyprus	Operation of supermarkets at Aphrodite Hills	-	45

On 24 November 2022, the Company sold its 50% share in Aphrodite Hills Resort Limited sub-group (Note 21). As a result of the sale, all the assets and liabilities of the Aphrodite Hills Resort Limited subgroup were removed from the consolidation which is also the case with the investment in associate.

25. Investments in joint ventures

	2022 €	2021 €
Balance at 1 January	**8.978**	-
Additions as a result of partial disposal of subsidiary	**27.169.139**	-
Share of joint venture loss	**(165.146)**	-
Dividends received	**(646.997)**	3.166
Additions	**-**	5.812
Group's share of other comprehensive income	**8.939**	-
Balance at 31 December	**26.374.913**	8.978

The details of the joint ventures are as follows:

Name	Country of incorporation	Principal activities	2022 Holding %	2021 Holding %	2022 €	2021 €
L'Union Branded Residences	Cyprus	Dormant	50	50	**8.978**	8.978
Aphrodite Hills Resort Limited sub-group	Cyprus	Hotels, Tourism and Real Estate	50	-	**26.365.935**	-
					26.374.913	8.978

The joint venture investment in Aphrodite Hills Resort Limited sub-group, comprises of Aphrodite Hills Resort Limited and its following subsidiaries and associate:

Name	Country of incorporation	Principal activities	2022 Holding %
Aphrodite Hotels Limited	Cyprus	Hotels, Tourism and Real Estate	50
Aphrodite Hill Services Limited	Cyprus	Provision of drainage and security services to properties located at Aphrodite Hills	50
Aphrodite Hills Property Management Limited	Cyprus	Provision of repairs, maintenance and rentals to owners/residents	50
The Aphrodite Tennis & Spa Limited	Cyprus	Operation of a tennis academy	50
Aphrodite Hills Pantopoleion Limited	Cyprus	Operation of supermarkets at Aphrodite Hills	22,5%

25. Investments in joint ventures (continued)

The fair value of assets and liabilities acquired were as follows:

	Aphrodite Hills Resort Limited - sub-group €
Property, plant and equipment	59.080.242
Furniture, Fixtures and equipment	2.919.758
Investment properties	2.500.000
Intangible assets	10.100.000
Investment in associates	431.872
Deferred tax assets	657.305
Right of use asset	647.515
Inventories	34.899.429
Trade and other receivables	6.012.174
Tax refundable	100.000
Other assets	112.530
Cash at bank and in hand	4.788.587
Trade and other payables and provisions	(23.373.759)
Borrowings including finance leases	(32.523.396)
Lease liabilities	(1.889.710)
Corporation tax liability	(181.447)
Deferred tax liabilities	(9.942.821)
Fair value of net assets of joint venture	**54.338.279**
Less: 50% of non retained interest	(27.169.140)
Fair value of net assets retained	**27.169.139**

Significant aggregate amounts in respect of Joint Venture 'Aphrodite Hills Resort Limited ' sub-group:

	2022 €
Non-current assets	**77.344.894**
Current assets	**39.758.577**
Non-current liabilities	**(40.872.169)**
Current liabilities	**(26.361.223)**
Net assets (100%)	**49.870.079**
Group's share of net assets (50%)	**24.935.040**
Fair Value adjustment of inventory at initial recognition	**1.430.895**
Carrying amount of interest in joint venture as at 31.12.2022	**26.365.935**

25. Investments in joint ventures (continued)

Revenue	**1.352.513**
Cost of sales	**(457.772)**
Marketing and administrative expenses	**(900.091)**
Net finance costs	**(191.480)**
Share of loss of associate	**(19.892)**
Tax	**(113.571)**
Loss for the period (100%)	**(330.292)**
Other comprehensive income (100%)	**17.877**
Loss and total comprehensive income (100%)	**(312.415)**
Loss and total comprehensive income (50%)	**(156.207)**
Group's share of loss and total comprehensive income (for the period 25 November 2022 - 31 December 2022)	**(156.207)**
Group's share of loss (for the period 25 November 2022 - 31 December 2022)	**(165.146)**
Group's share of other comprehensive income (for the period 25 November 2022 - 31 December 2022)	**8.939**
Dividends received by the Group	**646.997**

The difference on the group's share of net assets and the carrying amount of interest in joint venture relates to the fact that the inventory is carried at the lower of cost and net realisable value in the financial statements of the sub-group whereas the carrying amount represents the fair value of the inventory at the date of the recognition of the investment in joint ventures.

26. Inventories

	2022	2021
	€	€
Finished products	**1.438.277**	1.787.450
Stock of completed property	**28.753.186**	69.736.639
Land under development	**37.210.402**	33.744.419
Property under construction	**-**	5.285.937
	67.401.865	110.554.445

The cost of inventories recognised as expense and included in "cost of sales" amounted to €18.927.965 (2021: €29.577.578).

Inventories are stated at cost.

An amount of €197.569 (2021: €558.854) and an amount of €1.056.312 (2021: nil) were recognised in the statement of profit or loss and other comprehensive income as impairments in value of land under development, stock of completed property and property under construction (Note 13).

Part of the decrease in inventories relates to the sale of Aphrodite Hills Resort Limited (Note 23).

On 31 December 2021, an amount of €29.100.000 relating to land for development was reclassified from Investment Properties (Note 19). As cost was considered the fair value of the land as at the transfer date, i.e. 31 December 2021. The methodology and information used to estimate fair value at the date of transfer are given in Note 8.

The Group's inventories have been used as collateral in the loan agreements, as mentioned in Note 32.

27. Trade and other receivables

	2022	2021
	€	€
Trade receivables	**2.269.511**	3.736.311
Less: credit loss on trade receivables	**(176.322)**	(942.311)
Trade receivables - net	**2.093.189**	2.794.000
Receivables from related parties (Note 41.4)	**703.202**	67.210
Directors' current accounts - debit balances (Note 41.6)	**-**	2.039
Shareholders' current accounts - debit balances (Note 41.6)	**72.506**	840
Deposits and prepayments	**27.139.257**	48.091.545
Advances to subcontractors	**-**	133.570
VAT receivable	**699.176**	1.607.804
Other receivables	**9.501.970**	1.832.889
	40.209.300	54.529.897
Less non-current receivables	**(34.336.171)**	(47.631.304)
Current portion	**5.873.129**	6.898.593

An amount of €24.623.874 (2021: € 47.617.104), which is included in the 'Deposits and prepayments', relates to an advance payment for the purchase of the Porto Paros hotel complex on the island of Paros in Greece.

An amount of €9.480.977, which is included in other receivables, relates to the deferred consideration in respect of the sale of the investment in Aphrodite Hills Resort Limited sub-group (Note 21).

Ageing of trade receivables - net:

	2022	2021
	€	€
Up to 30 days	**12.896**	582.736
31-120 days	**1.931.583**	2.169.118
More than 120 days	**148.710**	42.146
	2.093.189	2.794.000

The Group has recognised a loss of €167.488 (2021: €nil) for the impairment of its trade receivables during the year ended 31 December 2022. The loss has been included in selling and distribution costs in profit or loss.

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

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

28. Financial assets at fair value through profit or loss

	2022	2021
	€	€
Balance at 1 January	**1**	1
Additions due to deemed disposal of subsidiary (Note 23)	**1.000**	-
Balance at 31 December	**1.001**	1

28. Financial assets at fair value through profit or loss (continued)

On 23 December 2022, MHV IA Limited decided to increase its authorised and issued share capital. The Company did not acquire any of the new shares and thus lost control of MHV IA Limited retaining only a holding of 11% (Note 23). The remaining investment was then reclassified to financial assets at fair value through profit or loss based on its fair value at the date of sale.

29. Other asset

	2022	2021
	€	€
Balance at 1 January	**112.470**	112.470
Disposals	**(112.470)**	-
Balance at 31 December	**-**	112.470

The restricted cash represents balances that have a limited use for guarantees issued by banks in favor of real estate clients. Cash is released from security as construction progresses.

30. Cash at bank and in hand

	2022	2021
	€	€
Cash in hand	**131.850**	166.828
Cash at bank	**37.231.611**	96.761.022
	37.363.461	96.927.850

An amount of € 799.235 (2021: € 815.352) is held for the repayment of the forced acquisition of the previous shareholders, of the Company "The Cyprus Tourism Development Company Limited" during the year 2019.

An amount of € 291.078 (2021: € 181.784) is held as reserve on the deposit accounts of the subsidiary Porto Heli Hotel & Marina S.A. to secure debt service.

As of 31 December 2021, an amount of € 368.431 concerned funds which were held on behalf of customers for future payments of utility bills. As of 31 December 2022, no such amount is held as the Aphrodite Hills Resort Limited is no longer consolidated.

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	2022	2021
	€	€
Cash at bank and in hand	**37.363.461**	96.927.850
Bank overdrafts	**-**	(4.175.439)
	37.363.461	92.752.411

Non-cash transactions

The principal non-cash transactions during the current year were:

- A dividend receivable from Aphrodite Hills Resort Limited amounting to €646.997, which was declared in December 2022 (Note 25);

- The deferred consideration amounting to €9.480.977 regarding the partial disposal of Aphrodite Hills Resort Limited sub-group (Note 23).

30. Cash at bank and in hand (continued)

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

31. Share capital

	2022 Number of shares	**2022 €**	2021 Number of shares	2021 €
Authorised				
Ordinary shares of €1 each	**1.000**	**1.000**	1.000	1.000
Preference shares of €0,01 each	**1**	**0,01**	1	0,01
Redeemable preference shares of €1 each	**196.789**	**196.789**	196.789	196.789
	197.790	**197.789,01**	197.790	197.789,01
Issued and fully paid				
Balance at 1 January	**185.920**	**185.920**	201	200,01
Issue of ordinary shares	**-**	**-**	520	520
Issue of Redeemable preference shares of €1 each	**-**	**-**	185.200	185.200
Redemption of preference share	**-**	**-**	(1)	0,01
Redemption of Redeemable preference shares	**(40.000)**	**(40.000)**	-	-
Balance at 31 December	**145.920**	**145.920**	185.920	185.920

Authorised capital

On 7 April 2021 the Authorised Capital of the Company was increased from EUR 1.000,01 (1.000 ordinary shares of EUR 1 and 1 share of EUR 0,01) to EUR 144.449,01 (1.000 Ordinary shares of EUR 1, 143.449 Preference Shares of EUR 1 plus 1 Preference Share of EUR 0,01).

On 11 November 2021 the Authorised Capital of the Company increased from 144.449,01 (1.000 Ordinary shares of EUR 1, 143.449 Redeemable Preference Shares of EUR 1 and 1 Preferene Share of EUR 0,01) to EUR 197.789,01 (1.000 Ordinary shares of EUR 1, 196.789 Redeemable Preference Shares of EUR 1 and 1 Preference Share of EUR 0,01).

Issued capital

On 26 March 2021 the Company redeemed 1 preference share in the name of the Bank of Cyprus at nominal value, being the price of EUR 0,01.

On 7 April 2021 the Company issued 143.449 Redeemable Preference Shares of EUR 1.000 (Share Premium: EUR 999): 14.345 Redeemable Preference Shares to Flowpulse Limited, 64.552 Redeemable Preference Shares to Papabull Investments Limited and 64.552 Redeemable Preference Shares to Prodea Real Estate Investment Company S.A.

On 11 November 2021 the Company issued 53.340 Redeemable Preference Shares of EUR 1.000 (Share Premium: EUR 999): 5.334 Redeemable Preference Shares to Flowpulse Limited, 24.003 Redeemable Preference Shares to Papabull Investments Limited and 24.003 Redeemable Preference Shares to Prodea Real Estate Investment Company S.A.

On 17 December 2021 the Company issued 100 Ordinary Shares of EUR 250 (Share Premium: EUR 249): 10 Ordinary Shares to Flowpulse Limited, 45 Ordinary Shares to Prodea Real Estate Investment Company S.A. and 45 Ordinary Shares to Papabull Investments Limited.

31. Share capital (continued)

On 17 December 2021 the Company issued 100 Ordinary Shares of EUR 690 (Share Premium: EUR 689): 10 Ordinary Shares to Flowpulse Limited, 45 Ordinary Shares to Prodea Real Estate Investment Company S.A. and 45 Ordinary Shares to Papabull Investments Limited.

On 17 December 2021 a redemption of 94.000 Redeemable Preference Shares of EUR 1.000 was made (Share Premium: EUR 999): 9.400 to Flowpulse Limited, 42.300 Redeemable Preference Shares to Prodea Real Estate Investment Company S.A. and 42.300 Redeemable Preference Shares to Papabull Investments Limited.

On 29 December 2021 the Company issued 230 Ordinary Shares of EUR 131.265 (Share Premium: EUR 131.264): 104 Ordinary Shares to Flowpulse Limited and 126 Ordinary Shares to Papabull Investments Limited.

On 29 December 2021 the Company issued 59.261 Redeemable Preference Shares of EUR 1.000 (Share Premium: EUR 999): 26.761 Redeemable Preference Shares to Flowpulse Limited, 32.455 Redeemable Preference Shares to Papabull Investments Limited and 45 Redeemable Preference Shares to Prodea Real Estate Investment Company S.A.

On 30 December 2021 the Company issued 23.150 Redeemable Preference Shares of EUR 1.000 (Share Premium: EUR 999) and 90 Ordinary Shares of EUR 178.333 (Share Premium of EUR 178.332) to Ascetico Limited.

On 31 May 2022 the Company redeemed 40.000 of the redeemable preference shares as follows:

a) 8.000 redeemable preference shares of nominal value €1 each held by Flowpulse Limited for a total amount of €8.000.000 being the aggregate amount of the consideration for which they were issued;

b) 10.000 redeemable preference shares of nominal value €1 each held by Prodea Real Estate Investment Company S.A. for a total amount of €10.000.000 being the aggregate amount of the consideration for which they were issued;

c) 17.000 redeemable preference shares of nominal value €1 each held by Papabull Investments Limited for a total amount of €17.000.000 being the aggregate amount of the consideration for which they were issued;

d) 5.000 redeemable preference shares of nominal value €1 each held by Ascetico Limited for a total amount of €5.000.000 being the aggregate amount of the consideration for which they were issued.

32. Borrowings

	2022	2021
	€	€
Balance at 1 January	**107.568.450**	1.168.613
Additions from business combinations	**-**	108.053.038
Additions	**30.500.000**	(8.141.683)
Repayment of principal	**(24.204.547)**	-
Repayment of interest	**(3.745.148)**	-
Disposals from disposal of subsidiaries	**(32.523.396)**	-
Interest of the year	**3.958.991**	5.135.297
Arrangement fees paid	**(1.811.318)**	1.285.108
Amortisation of arrangement fees	**615.869**	68.077
Balance at 31 December	**80.358.901**	107.568.450

32. Borrowings (continued)

	2022	2021
	€	€
Current borrowings		
Bank loans	**5.471.491**	14.931.069
Non-current borrowings		
Bank loans	**74.887.410**	92.637.381
Total	**80.358.901**	107.568.450

Maturity of borrowings:

	2022	2021
	€	€
Within one year	**5.471.491**	14.931.069
Between one and five years	**14.561.570**	92.637.381
After five years	**60.325.840**	-
	80.358.901	107.568.450

Loan amounting to: €3.615.500 (Porto Heli Hotel & Marina S.A)

In March 2020, the subsidiary issued a Bond Loan Program, with Piraeus Bank as paying agent and representative of the Bondholders. The purpose of the Loan was on the one hand the partial refinancing of equity with the return of the relevant amount to the previous parent company, on the other hand the financing of renovation investment of the hotel complex within 2020.

To secure the bank loan, a mortgage has been registered on the company's property. There is also a pledge on the insurance policy and deposit accounts and on the shares of the company. Some of the financial indicators of the loan agreement are not observed on 31 December 2022 and for this reason the company has requested a waiver on the financial covenants for the year 2022 by the lending bank. The loan was classified as short-term. Management is also in discussions with the bond lender to sign an amendment to the loan agreement in the near future.

Loan amounting to: €47.600.454 (Parklane Hotels Limited)

On 8 July 2021 (the loan agreement date), Parklane Hotel Limited obtained loan facilities of €70.000.000 from Eurobank, split as follows:

- Facility A: a total of €50.000.000 which is repayable with 6-month loan repayments on the 12 years anniversary of the loan agreement date, and

- Facility B: a total of €20.000.000 which is repayable with 6-month loan repayments on the 5 and a half year anniversary of the loan agreement date. The Facility B was fully repaid during the year ended 31 December 2022.

The bank loans are secured as follows:

- By first rank mortgage over the Company's properties.
- By first rank pledge over the Company's shares.
- By first rank floating charge over the Company's assets.
- By first rank charge over the Company’s bank accounts.
- By assignment of the Company's receivables and insurance policies.

The loan is subject to a floating interest rate equal to 6 months Euribor plus a margin of 2,75% per annum. If the Company's "Total Debt to EBITDA" ratio is below 5,5 times, such margin shall be decrease to 2,4%.

32. Borrowings (continued)

Loan with Bank of Cyprus (The Cyprus Tourism Develoment Company)

On 24 January 2020, The Cyprus Tourism Development Company Limited signed a facility agreement with Bank of Cyprus on the basis of which it received a new loan of €1.139.920 with an interest rate of 3.35% and installments payable in the amount of €33.135 per quarter until April 30, 2021.

The bank loan was repaid in full on 11 February 2022.

Loan amounting to: €29.145.947 (The Cyprus Tourism Develoment Company)

On 28 January 2022, The Cyprus Tourism Development Company Limited signed a term loan facility agreement of up to € 82.000.000 with Apha Bank S.A. with an interest of 3 month Euribor (or zero if negative) plus margin (margin 2,95% for development facility and 2,75% for investment facility). The loan consists of two tranches (tranche A and tranche B).

Tranche A is up to €30.500.000 and is for the purpose of partial repayment of the existing debt, partial funding of the working capital and partial financing of fees. As at 31 December 2022, the balance of tranche A amounted to €29.145.947 (including accrued interest).

Tranche B of the development facility is up to €51.500.000 and is for the purpose of partial financing of the hotel renovation, partial financing of the office tower development costs and partial financing of interest during construction (IDC), fees and DSRA.

The bank loans are secured as follows:

- First rank mortgage on the land and development (including hotel and office tower) securing 130% the facility and hedging.
- Guarantee to be provided by the shareholder in relation to the obligation to cover a)any construction time and cost overruns of the project, b) any obligations for return to buyers of advance payments /installments received from residential tower sale/pre-sale agreements, in case of cancellation of the respective sales/pre-sales, c) any shortfall in case of not realisation of the office tower sale to Prodea (i.e. reduction of the development facility balance to €46.500.000 upon project completion) or the actual acquisition price achieved for the office tower being lower than €70.000.000 (i.e. completion of the project development) and d) any other material economic/financial obligations of the borrower potentially identified during the due diligence phase, to be released on the Ramp Up Trigger Date.
- Pledge over borrower's shares.
- Assignment/pledge of borrowers receivables. Pledge over future receivables deriving from the office tower, to be released upon acquisition of the office tower by Prodea.
- Assignment/pledge of the key project documents and stemming LGs.
- Assignment of the Prodea Forward Purchase Agreement with Prodea.
- Assignment / pledge on movable assets.
- Floating charge on borrower's assets.
- Pledge of project accounts.
- Pledge of insurances, the facility agent to be named first loss payee.
- Direct agreements with the project manager and the contractor, in form and in substance satisfactory to the lenders, ensuring inter alias lenders step in rights.
- Acknowledgment letter by the hotel franchisor, in form and in substance satisfactory to the lenders, ensuring inter alias lenders step in rights.
- Assignment/pledge/subordination of shareholder loans.
- Subordination of the Prodea Forward Purchase Agreement initial installments.
- Assignment/pledge of VAT receivables.
- Assignment/pledge of the hedging agreement.

33. Lease liabilities

	2022	2021
	€	€
Balance at 1 January	**4.427.200**	-
Additions from business combinations	**243.430**	5.053.565
Repayments	**(528.509)**	(785.419)
Interest on lease liabilities	**155.277**	179.669
Financial expenses	**-**	(20.615)
Disposals from disposals of subsidiaries	**(1.889.710)**	-
Balance at 31 December	**2.407.688**	4.427.200

	Minimum lease payments		The present value of minimum lease payments	
	2022	2021	2022	2021
	€	€	€	€
Not later than 1 year	**181.800**	1.146.406	**102.769**	991.371
Later than 1 year and not later than 5 years	**752.604**	1.755.917	**501.420**	1.376.626
Later than 5 years	**2.760.000**	3.042.000	**1.803.499**	2.059.203
	3.694.404	5.944.323	**2.407.688**	4.427.200
Future finance charges	**(1.286.716)**	(1.517.123)	**-**	-
Present value of lease liabilities	**2.407.688**	4.427.200	**2.407.688**	4.427.200

The lease liabilities for the year ended 31 December 2022 relate to Parklane Hotels Limited and Porto Heli Hotel & Marina SA (2021: Parklane Hotels Limited, Porto Heli Hotel & Marina SA and Aphrodite Hills Resort Limited).

PARKLANE HOTELS LIMITED

The lease obligation relates to a state-owned plot of land on which the Company's beach is located and to the properties rented by the Company for the purpose of housing the Company's employees.

PORTO HELI HOTEL & MARINA SA

The Company leases a number of residential properties that are used as part of the accommodation it provides to its employees. The Company also leases a plot of land which is used as parking for visitors.

APHRODITE HILLS RESORT LIMITED

The Group leases a number of residential properties that are used as part of the accommodation services it provides to visitors. The Group has entered into various agreements with third parties for the right to use these assets for a predetermined period. The agreements are for a specific period of time and there is no automatic renewal without negotiation between the two parties for the amount and the lease period. These were disposed off during 2022 following partial disposal of Aphrodite Hills sub-group (Note 23).

34. Deferred consideration

	2022	2021
	€	€
Balance at 1 January	**9.368.142**	-
Additions	**-**	9.145.858
Effective interest expense for the year (Note 15)	**313.833**	222.284
Balance at 31 December	**9.681.975**	9.368.142
Less non-current portion	**-**	(9.368.142)
Current portion	**9.681.975**	-

The deferred consideration is related to the acquisition of Parklane Hotels Limited. Under the purchase agreement, an amount of € 10.000.000 is payable on 24 December 2023. The amount of €10.000.000 was discounted using a discount rate of 3,35% as at 31 December 2021, resulting to €9.368.142. The effective interest for the year 2022 amounted to €313.833.

35. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 16). The applicable corporation tax rate in Cyprus and in Greece in the case of tax losses is 12,5% and 22% respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The movement on the deferred taxation account is as follows:

Deferred tax liabilities

	Temporary tax differences
	€
Balance at 1 January 2021	2.740.238
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 16)	(684.162)
Additions from acquisitions of subsidiaries	12.760.355
Fair value reserves	5.314.272
Balance at 31 December 2021/ 1 January 2022	**20.130.703**
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 16)	(3.015.926)
Fair value reserve	24.342.096
Derecognision due to disposals of subsidiaries	(9.585.097)
Balance at 31 December 2022	**31.871.776**

35. Deferred tax (continued)

Deferred tax assets

	Tax losses **€**
Balance at 1 January 2021	363.051
(Charged)/credited to:	
Statement of profit or loss and other comprehensive income (Note 16)	444.353
Additions from business combinations	4.700.188
Balance at 31 December 2021/ 1 January 2022	**5.507.592**
(Charged)/credited to:	
Statement of profit or loss and other comprehensive income (Note 16)	(101.530)
Fair value reserve	(1.964.202)
Disposals from disposals of subsidiaries	(657.305)
Balance at 31 December 2022	**2.784.555**

36. Provisions for other liabilities and charges

	Special provision for government grant **€**
Balance at 1 January 2021	-
Additions from acquisitions of subsidiaries	616.500
Balance at 31 December 2021/ 1 January 2022	**616.500**
Credited to profit or loss	(616.500)
Balance at 31 December 2022	**-**

The special provision for government grant on 31 December 2021 concerns a special provision of €616.500 for the subsidiary, Parklane Hotels Limited, received during 2021 by the Cypriot Government, which the management expected to be revoked. Provision was reversed in 2022 following developments and the expectation that this subsidy will be retained.

37. Trade and other payables

	2022	2021
	€	€
Trade payables	**3.998.404**	5.182.268
Advances from customers	**992.488**	4.763.464
Provision for bonuses	**400.000**	878.912
Social insurance and other taxes	**462.601**	-
VAT payable	**1.524.862**	301.900
Directors' current accounts - credit balances (Note 41.7)	**1.740**	-
Shareholders' current accounts - credit balances (Note 41.7)	**-**	24.941.240
Provision for employees' compensation	**-**	5.010
Employee leave liability	**678.004**	560.395
Accrued renovation costs	**675.000**	-
Accruals	**2.170.853**	3.724.338
Other creditors	**1.236.743**	5.966.681
Payables to other related parties (Note 41.5)	**3.200**	283
	12.143.895	46.324.491
Less non-current payables	**-**	(2.280.674)
Current portion	**12.143.895**	44.043.817

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

38. Government grants

	2022	2021
	€	€
Government grants	**3.229.397**	3.390.602
	3.229.397	3.390.602
Deferred income after more than one year	**(3.100.397)**	(3.368.721)
Deferred income within one year	**129.000**	21.881

The amount of €3.188.400 (2021: € 3.220.606) relates to other long-term liabilities from received government grants in the subsidiary of Porto Heli Hotel & Marina S.A.

Pursuant to decision 59672/ΥΠΕ/5/03245/Ε/Law N.3299/2004, the Deputy Minister of Economy, Competitiveness and Shipping approved the inclusion of Porto Heli Hotel & Marina S.A. to the provisions of Law N.3299/2004, in regards to the latter's investment plan of a total amount of €10.628.000. According to the decision, the percentage of the subsidy amounts to 40% of the cost of the investment, equivalent to the amount of €4.251.200. The grant was received by the Company on 31 December 2013. The amortization of this amount began in the year 2014 with the opening of the Hotel. Until today the Company is still subject to the provisions of Law 3299/2004 for receiving a grant, as it has not violated the relevant obligations of the affiliation. The amortisation for the year recognised in Statement of profit or loss and other comprehensive income was €128.999 (2021: €128.824).

In 2021, control order number 1990/469636 was issued by the General Directorate of the Economic Crime Prosecution Service (S.D.O.E.) to verify the correct application of the provisions of Law 3299/2004, related to national and community subsidies and grants, in relation to the aforementioned grant. The inspection was completed without any findings.

An amount of €169.996 (2021: €169.996) relates to refundable goverment grant of Porto Heli Hotel & Marina S.A.

39. Current tax (liabilities)/current tax assets

	2022	2021
	€	€
Corporate tax payable	**(499.195)**	(54.891)
Corporate tax refundable	**-**	100.000
Overseas tax	**-**	(34.504)
	(499.195)	10.605

40. Operating Environment of the Group

The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these financial statements for issue, the conflict continues to evolve as military activity proceeds. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges.

The European Union as well as United States of America, Switzerland, United Kingdom and other countries imposed a series of restrictive measures (sanctions) against the Russian and Belarussian government, various companies, and certain individuals. The sanctions imposed include an asset freeze and a prohibition from making funds available to the sanctioned individuals and entities. In addition, travel bans applicable to the sanctioned individuals prevents them from entering or transiting through the relevant territories. The Republic of Cyprus has adopted the United Nations and European Union measures. The rapid deterioration of the conflict in Ukraine may as well lead to the possibility of further sanctions in the future.

Emerging uncertainty regarding global supply of commodities due to the conflict between Russia and Ukraine conflict may also disrupt certain global trade flows and place significant upwards pressure on commodity prices and input costs as seen through early March 2022. Challenges for companies may include availability of funding to ensure access to raw materials, ability to finance margin payments and heightened risk of contractual non-performance.

The impact on the Group largely depends on the nature and duration of uncertain and unpredictable events, such as further military action, additional sanctions, and reactions to ongoing developments by global financial markets.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome.

The Group has exposures in Ukraine, the Russian Federation and Belarus relating to its operations.

Operating in Russia, Belarus and Ukraine involves some risk of political instability, which may include changes in government, negative policy shifts and civil unrest. Financial and economic sanctions imposed by the global community on certain sectors of the Russian economy as well as businesses and individuals in Russia in the first quarter of 2022, and the counter-measures imposed by Russia on the United States of America, United Kingdom and European Union, may potentially pose a risk to the Company's operations. These factors may have a negative impact on the Company's liquidity, capital flows and ability of the Company to secure external financing.

The Group actively monitors political developments on an ongoing basis. However, the macroeconomic situation in Ukraine, Russia and Belarus is out of Management's control. The scope and impact of any new potential sanctions (and any counter-sanctions) is yet unknown, however they might further affect key Russian financial institutions as well as companies operating in the Russian Federation and Belarus.

Management is in the process of reassessing their trading and relevant cash flows using revised assumptions and incorporating downside scenarios in assessing actual and potential financing needs, taking into consideration the main impacts identified above.

The Group's management has proactively taken the following measures:

- Reduction in operational costs and renegotiated payment terms with key suppliers and creditors

40. Operating Environment of the Group (continued)

- Entrance into new contractual terms with new tour operators and agents with the aim to attract alternative markets from Middle East, UK and Central Europe
- Focus on local market
- Actions to sale or long-term leasing of stock of completed property and land under development

In addition, during the year the Covid-19 pandemic continued to affect the global economy as well as the Cypriot economy.

Management will continue to monitor both the Covid-19 outbreak and the current situation between Russia and Ukraine closely and also the sanctions imposed in Russia in the tourism industry and its business. The management will assess/seek additional measures/committed facilities as a fall-back plan in case the crisis becomes prolonged.

41. Related party transactions

At the year end the shareholders of the Company were: Yoda Plc (merged with the previous shareholder Papabull Investments Limited) with 42.5%, Prodea Real Estate Investment Company S.A with 25%, Flowpulse Limited with 20% and Ascetico Limited with 12.5%.

The following transactions were carried out with related parties:

41.1 Directors' remuneration

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

	2022	2021
	€	€
Directors' remuneration	**761.863**	522.719
	761.863	522.719

41.2 Sales and other income

		2022	2021
	Nature of transactions	**€**	€
Prodea Real Estate Investment Company S.A.	Sponsorships	**-**	10.000
Sale of investment properties	Trade	**-**	7.000.000
Invel Real Estate Management Ltd	Trade	**-**	1.389
Aphrodite Hills Pantopoleion Limited	Rental income	**85.419**	-
Prodea Real Estate Investment Company S.A.	Accommodation income	**4.746**	-
Invel Real Estate Advisors LLP	Accommodation income	**3.530**	-
Invel Real Estate Management Ltd	Accommodation income	**45.689**	-
Shareholder (Yoda group)	Accommodation income and F&B services	**363.786**	-
		503.170	7.011.389

41.3 Purchases and other expenses

		2022	2021
	Nature of transactions	**€**	€
Invel Real Estate Management Ltd	Consulting services	**-**	3.595.597
Aphrodite Hotels Limited	Trade	**3.458**	-
		3.458	3.595.597

41. Related party transactions (continued)

41.4 Receivables from related parties (Note 27)

Name	Nature of transactions	2022 €	2021 €
Aphrodite Springs Public Limited	Trade	-	31.356
For the Love and Life Foundation Ltd	Trade	-	9.108
Aphrodite Hills Pantopoleion Limited	Trade	-	26.746
MHV IA Limited	Financing	16.999	-
Flowpulse Limited	Financing	2.510	-
Aphrodite Hills Resort Limited	Dividends receivable	646.997	-
Aphrodite Hills Resort Limited	Recharge of expenses	136	-
Invel Real Estate Advisors LLP	Trade	1.205	-
Invel Real Estate Management Ltd	Trade	35.355	-
		703.202	67.210

The receivables from related parties were provided interest free, and there was no specified repayment date.

41.5 Payables to related parties (Note 37)

Name	Nature of transactions	2022 €	2021 €
A.M. Resort Pharmacy Kouklia Ltd	Trade	-	283
MHV IA Limited	Trade	1.000	-
Aphrodite Hills Resort Limited	Trade	2.200	-
		3.200	283

41.6 Debit balances of current accounts of shareholders / directors (Note 27)

	2022 €	2021 €
Prodea Real Estate Investment S.A.	-	840
Director	-	2.039
Shareholder (individuals)	72.506	-
	72.506	2.879

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

41.7 Directors'/ Shareholders' current accounts - credit balances (Note 37)

	2022 €	2021 €
Prodea Real Estate Investment S.A.	-	11.193.750
Flowpulse Limited	-	2.497.490
Papabull Investment Limited	-	11.250.000
Director	1.740	-
	1.740	24.941.240

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

42. Contingent liabilities and commitments

MHV MEDITERRANEAN HOSPITALITY VENTYRE LIMITED

Eurobank Cyprus Limited and Parklane Hotels Limited have entered into a facility agreement dated July 8, 2021 for an amount up to €70.000.000. As a condition of the Agreement, MHV Mediterranean Hospitality Venture Limited grants to Eurobank Cyprus Limited a pledge and first rank security for the entire Pledged Property (all its shares and all its participations in the Company). MHV Mediterranean Hospitality Venture Limited guarantees and agrees with Eurobank Cyprus Limited that it will pay the Secured Liabilities on demand when they become due and agrees to indemnify the Security Agent for any losses, costs, charges, expenses and liabilities incurred from any breach or inability to pay.

MHV Mediterranean Hospitality Venture Limited is the registered and legal holder of 34.980.292 common shares with a nominal value of €0,17 each, representing 50% of the total issued share capital of Aphrodite Hills Resort Limited. Without prejudice to the provisions of Aphrodite Hills Resort Limited facility agreement, MHV Mediterranean Hospitality Venture Limited binds and charges through a fixed interest of first priority: shares, stock certificates and / or any relevant document proving ownership of all shares, any dividends or interest or other distribution paid or payable in connection with any of the above and any rights, money or assets raised or offered at any time, in relation to any of the above through redemption, replacement, exchange, conversion, bonus, preference or other, on an optional basis or otherwise.

The Company's 100% subsidiary Porto Heli Marina S.A, issued bonds in an aggregate principal amount of €4.250.000 all of which have been purchased by Piraeus Bank SA. under terms of the Greek law governed bond loan programme dated 20 March 2020. As a security for the obligations of the Issuer under the Bond Loan the previous shareholder of the Issuer under the corporate name EIDIKOU SKOPOU DEKA EPTA S.A. (the "Initial Pledgor") granted a first ranking share pledge in favour of the bank over all of its shares in the Issuer. Pursuant to share purchase agreement dated 8 April 2021 between the Initial Pledgor and the Company the former sold and transferred to the latter 1.405 common nominal shares of €33,00 each which constitute the total 100% issued shares of the Issuer and as a result the Company became the sole shareholder of the Issuer. The Company enters into the transactions contemplated by the Share Pledge Agreement and meets all of its obligations thereunder.

Alpha Bank Cyprus Limited and The Cyprus Tourism Development Company Limited ("CTDC") have entered into a facility agreement dated January 28, 2022 for an amount of up to €82.000.000. As a condition to the Agreement, MHV Mediterranean Hospitality Venture Limited grants to Alpha Bank Cyprus Limited a pledge and first rank security for the entire Pledged Property (all its shares and all its participations in CTDC). MHV Mediterranean Hospitality Venture Limited guarantees and agrees with Alpha Bank Cyprus Limited that it will pay the Secured Liabilities and Obligations on demand when they become due and agrees to indemnify the Security Agent for any losses, costs, charges, expenses and liabilities incurred from any breach or inability to pay.

APHRODITE HILLS RESORT LIMITED (AHRL)

AHRL has entered into agreements with contractors and subcontractors for the development of the residential project Alexander Heights Phase B, Aeneas, Dionysus Greens Phase A and Poseidon. As at 31 December 2022, the remaining value of these contracts to which the Company is committed to make payments amounts to €5.3 million (2021: €8.9 million). These commitments are expected to be settled upon completion of the respective projects.

AHRL group companies are guarantors for bank facilities granted to AHRL and their shares are pledged for the same purpose.

THE CYPRUS TOURISM DEVELOPMENT COMPANY LIMITED

The Company has signed with K. Athienitis Contractors Limited a letter of award of works for the construction of two towers and an underground hotel parking at The Landmark Nicosia Hotel in Nicosia dated September 6, 2022 with an estimated total budget of €56.4 million. As at the date of these financial statements, a formal final works contract with the contractor is yet to be signed.

The Group had no other contingent liabilities and commitments as at 31 December 2022.

43. Events after the reporting period

As explained in note 40 the geopolitical situation in Eastern Europe intensified on 24 February 2022, with the commencement of the conflict between Russia and Ukraine. As at the date of authorising these consolidated financial statements for issue, the conflict continues to evolve as military activity proceeds and additional sanctions are imposed.

Depending on the duration of the conflict between Russia and Ukraine, and continued negative impact on economic activity, the Group might experience negative results, and impact on its operations after the reporting period. Management will continue to monitor the situation closely and will assess the need for additional measures in case the crisis becomes prolonged.

On 5 January 2023, the Company received an amount of €6.605.786 from its subsidiary Parklane Hotels Limited representing repayment of a shareholders loan and partial repayment of an open intercompany balance.

On 12 January 2023, the Company approved a capital reduction, by way of redemption of 25.000 redeemable preference shares held by its shareholders for a total amount of €25.000.000. On the same date, the Company paid the first instalment of the capital reduction of a total amount of €20.000.000.

On 12 January 2023, the Registrar of Companies certified the capital reduction of the Company's subsidiary, The Cyprus Tourism Development Company Limited, which cancelled 1.754.386 shares held by the Company. On the same date its share premium account decreased from €10.146.980,29 to €3.299.967 following a court order dated 2 November 2022. The total amount of €9.847.013 was returned to the Company by way of set off of a loan granted to CTDC by the Company.

In February 2023, Aphrodite Hills Resort Limited entered into an agreement with the Bank of Cyprus, in respect of its loan facilities, for a temporary reduction in the margin and interest rate beginning on 6 February 2023 and ending on 5 February 2025.

In March 2023, Aphrodite Hills Resort Limited issued 20.000 redeemable preference shares for €20.000 (€1 each) and share premium of €1.273.993 (€63,70 each). The total consideration of €1.293.993 was set off against an equal outstanding amount due to the Company's shareholders, representing a dividend declared out of the 2020 profits.

On 31 March 2023, Yoda Plc transferred 100% of its shares (both ordinary and redeemable preference shares) in the Company to its affiliated entity, Ascetico Limited.

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

Independent Auditor's Report on pages 4 to 6

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2021

CONTENTS

BOARD OF DIRECTORS AND OTHER CORPORATE INFORMATION

Board of Directors	Aristotelis Karytinos Christophoros Papachristophorou (appointed 01/04/2021) Athanasios Karagiannis (appointed 01/04/2021) Alon Bar (appointed 01/04/2021) Marios Alexandrou (appointed 01/04/2021) Androulla Papadopoulou (resigned 01/04/2021) Thiresia Messari (resigned 01/04/2021) Spyridon Makridakis (resigned 01/04/2021) Charalambos Michael (appointed 28/04/2022) Alexios Pipilis (appointed 28/04/2022)
Company Secretary	Themis Secretarial Services Limited
Independent Auditors	Ernst & Young Cyprus Limited Certified Public Accountants and Registered Auditors Jean Nouvel Tower 6 Stasinou Avenue PO Box 21656 1511 Nicosia, Cyprus
Registered office	Kyriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites 1082 Nicosia Cyprus

MANAGEMENT REPORT

The Board of Directors of MHV Mediterranean Hospitality Venture Limited (the "Company") presents to the members its Management Report and the audited financial statements of the Group and subsidiaries, together referred to as ('The Group') for the year ended 31 December 2021.

Principal activities and nature of operations of the Group
The principal activities of the Group changed within the year. The principal activity of the Group is the investment in and exploitation of real estate with focus mainly on hospitality and tourism market (hotels and resorts) as well as the development and sale of real estate of various uses (residential, commercial, mixed) in Cyprus, Greece and the Mediterranean. The Group is also active in retail activities through the subsidiary of MHV Lifestyle Limited, which in 2021 opened a boutique on the premises of the Parklane Hotel.

The Group currently owns, develops and / or operates the following assets:

The Landmark Hotel in Nicosia Cyprus through its subsidiary The Cyprus Tourism Development Company Limited.

The Parklane a Luxury Collection Resort & Spa in Limassol Cyprus and the Park Tower which consists of 20 luxury apartments in Limassol Cyprus, through its subsidiary Parklane Hotels Limited.

Aphrodite Hills Resort in Paphos Cyprus, which includes a 5-star hotel, golf course, club, tennis and spa, through its subsidiary Aphrodite Hills Resort Limited. Among the activities of the company is the development and sale of real estate in Aphrodite Hills and the provision of management, rental and other services to Aphrodite Hills homeowners and residents.

Nikki Beach Hotel in Porto Heli in Argolida Greece, through the subsidiary Porto Heli Hotel & Marina S.A.

The Group also owns a residential building complex in the district of Pyrgos, Limassol, which is used for the accommodation of Parklane Hotel staff. The property is owned by the subsidiary Stromay Holdings Limited.

Changes in group structure
During the year various changes took place in the structure of the Group. The Group proceeded to a number of acquisitions during the year as mentioned in note 22 of the consolidated financial statements.

Review of current position, future developments and performance of the Group's business
During the year ended December 31, 2021, the turnover of the Group increased, as a result of the acquisitions that took place. The profit for the year corresponding to the shareholders amounts to €66.234.489 (2020: loss €4.601.564). On 31 December 2021 the total assets of the Group were €551.768.090 (2020: €66.751.714) and the net assets of the Group were €355.677.168 (2020: €60.531.012). The financial position, development and performance of the Group as presented in these consolidated financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in notes 6, 7 and 42 of the consolidated financial statements.

Existence of branches
The Group does not maintain any branches.

Use of financial instruments by the Group
The Group is exposed to interest rate risk, credit risk, liquidity risk and tourism industry risk arising from the financial instruments it holds.

Interest rate risk
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, as well as from trade and other receivables.

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

Dividends
The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

Share capital
During the year there were changes in the share capital of the Group, as reported in note 32 of the consolidated financial statements.

Board of Directors
The members of the Company's Board of Directors as at 31 December 2021 and at the date of this report are presented on page 1.

There is no specific provision in the Company's Articles of Association relating to the rotation of Directors. Consequently, all the Directors continue in office unless they resign.

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

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 43 to the consolidated financial statements.

Independent Auditors
The independent auditors, Ernst & Young Cyprus Limited, were appointed in replacement of the previous auditors PricewaterhouseCoopers Limited and have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Themis Secretarial Services Limited
Secretary

Nicosia, 10 June 2022

Ernst & Young Cyprus Ltd
Jean Nouvel Tower
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Independent Auditor's Report

To the Members of MHV Mediterranean Hospitality Venture Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of MHV Mediterranean Hospitality Venture Limited (the "Company") and its subsidiaries (the "Group"), which are presented in pages 7 to 74 and comprise the consolidated balance sheet as at 31 December 2021, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

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

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matters

This report, including the opinion, has been prepared for and only for the Group's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Comparative figures

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 17 May 2022.

Nick Nicolaou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia, 10 June 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2021

	Note	2021 €	2020 €
Revenue	9	**64.896.957**	3.108.554
Cost of sales	10	**(53.048.561)**	(3.064.875)
Gross profit		**11.848.396**	43.679
Other income	11	**14.665.110**	8.644
Other expenses	12	**(5.154.851)**	-
Selling and distribution expenses	13	**(711.777)**	-
General and administration expenses	14	**(17.302.759)**	(2.616.306)
Operating profit/(loss)		**3.344.119**	(2.563.983)
Finance income		**33.361**	-
Finance costs		**(2.687.200)**	(46.173)
Net finance costs	16	**(2.653.839)**	(46.173)
Share of results of associates before tax	24	**1.891**	-
Negative goodwill from acquisition of subsidiary	23	**44.352.347**	-
Impairment of goodwill	21	**-**	(2.290.236)
Profit/(loss) before tax		**45.044.518**	(4.900.392)
Taxation	17	**1.871.649**	298.828
Net profit/(loss) for the year		**46.916.167**	(4.601.564)
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
Revaluation gain/(loss) on land and buildings		**24.632.594**	-
Deferred taxation on revaluation of land		**(5.314.272)**	-
Other comprehensive income for the year		**19.318.322**	-
Total comprehensive income/(loss) for the year		**66.234.489**	(4.601.564)

The notes on pages 14 to 74 form an integral part of these consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2021

	Note	2021 €	2020 €
ASSETS			
Non-current assets			
Property, plant and equipment	18	**261.400.722**	45.611.568
Right-of-use assets	19	**3.703.349**	-
Investment properties	20	**2.400.000**	14.796.207
Intangible assets	21	**13.221.600**	-
Investments in associates	24	**444.934**	-
Capital in joint ventures	25	**8.978**	-
Goodwill	21	**2.856.252**	-
Non current receivables	28	**14.200**	-
Other asset	30	**112.470**	-
Deferred tax assets	35	**5.507.592**	363.051
		289.670.097	60.770.826
Current assets			
Inventories	27	**110.554.445**	4.475.725
Trade and other receivables	28	**54.515.697**	122.139
Receivables from other related parties	41	**-**	952
Financial assets at fair value through profit or loss	29	**1**	1
Other non-financial assets		**-**	139.208
Refundable taxes	39	**100.000**	-
Cash at bank and in hand	31	**96.927.850**	1.242.863
		262.097.993	5.980.888
Total assets		**551.768.090**	66.751.714
EQUITY AND LIABILITIES			
Equity			
Share capital	32	**185.920**	200
Share premium		**288.699.113**	57.349.900
Other reserves		**19.242.217**	(76.105)
Capital contribution		**-**	6.847.015
Retained earnings /(accumulated losses)		**47.549.918**	(3.589.998)
Total equity		**355.677.168**	60.531.012
Non-current liabilities			
Borrowings	33	**92.637.381**	1.073.096
Lease liabilities	34	**3.435.829**	-
Trade and other payables	37	**5.501.282**	-
Deferred consideration	26	**9.368.142**	-
Deferred taxation	35	**20.130.703**	2.740.238
Government grants	38	**3.368.721**	-
		134.442.058	3.813.334

The notes on pages 14 to 74 form an integral part of these consolidated financial statements.

	Note	2021 €	2020 €
Current liabilities			
Trade and other payables	37	**39.097.622**	2.210.186
Government grants	38	**21.881**	-
Bank overdrafts	31	**4.175.439**	-
Borrowings	33	**14.931.069**	95.517
Lease liabilities	34	**991.371**	-
Current tax liabilities	39	**89.395**	3.129
Contractual obligations	9	**-**	98.536
Provisions for other liabilities and charges	36	**2.342.087**	-
		61.648.864	2.407.368
Total liabilities		**196.090.922**	6.220.702
Total equity and liabilities		**551.768.090**	66.751.714

On 10 June 2022 the Board of Directors of MHV Mediterranean Hospitality Venture Limited authorised these consolidated financial statements for issue.

....
Charalambos Michael
Director

....
Marios Alexandrou
Director

The notes on pages 14 to 74 form an integral part of these consolidated financial statements.

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2021

	Note	Share capital €	Preference shares €	Share premium €	Shareholder's contribution €	Revaluation reserve €	Retained earnings/(accumulated losses) €	Total €
Balance at 1 January 2020		**200**	**-**	**57.349.900**	**6.847.015**	**(76.105)**	**1.012.603**	**65.133.613**
Net loss for the year		-	-	-	-	-	(4.601.564)	(4.601.564)
Transactions with owners								
GHS and Defence on DDD		-	-	-	-	-	(13.528)	(13.528)
Cancelled dividends		-	-	-	-	-	12.491	12.491
Total transactions with owners		-	-	-	-	-	(1.037)	(1.037)
Balance at 31 December 2020/ 1 January 2021		**200**	**-**	**57.349.900**	**6.847.015**	**(76.105)**	**(3.589.998)**	**60.531.012**
Comprehensive income								
Net profit for the year		-	-	-	-	-	46.916.167	46.916.167
Other comprehensive income for the year		-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	46.916.167	46.916.167
Transactions with owners								
Issue of share capital	32	520	185.200	231.349.213	-	-	-	231.534.933
Transfer between reserves		-	-	-	(6.847.015)	-	6.847.015	-
Loss from business acquisitions		-	-	-	-	-	(2.669.833)	(2.669.833)
Cancelled dividends		-	-	-	-	-	46.567	46.567
Other movements								
Revaluation gain/(loss) on fixed assets		-	-	-	-	24.632.594	-	24.632.594
Deferred taxation on revaluation of fixed assets		-	-	-	-	(5.314.272)	-	(5.314.272)
Total other movements		-	-	-	-	19.318.322	-	19.318.322
Balance at 31 December 2021		**720**	**185.200**	**288.699.113**	**-**	**19.242.217**	**47.549.918**	**355.677.168**

The fair value reserve for land and buildings arises from the revaluation of land and buildings. When a revalued land or building is sold, the portion of the revaluation reserve associated with that asset is transferred directly to the accumulated profits.

The loss from business acquisitions stems from the acquisition of "Aphrodite Hills Resorts Limited", which was made under common control.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2021

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (2018: 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2021

	Note	**2021** €	2020 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		**45.044.518**	(4.900.392)
Adjustments for:			
Depreciation of property, plant and equipment	18	**3.875.190**	836.492
Depreciation of right-of-use assets	19	**1.010.891**	-
Amortization of grants		**(57.477)**	-
Unrealised exchange profit		**(9.942)**	-
Amortisation of computer software	21	**203.706**	-
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	23	**(44.352.346)**	-
Share of profit from associates	24	**(1.891)**	-
Share of profit from joint ventures	25	**(5.812)**	-
Profit from the sale of property, plant and equipment		**(21.892)**	-
Fair value losses on land and buildings		**4.595.997**	-
Fair value gains on investment property	11	**(14.093.990)**	-
Impairment charge - goodwill	21	**-**	2.290.236
Impairment charge on inventories		**558.854**	-
Interest income	16	**(33.276)**	-
Interest expense	16	**1.635.994**	41.898
Provision for doubtful debtors		**(13.057)**	4.425
Provision for staff benefits		**(3.966)**	-
Reduction of liabilities (excluding banks)		**1.283.343**	-
Finance expenses		**691.417**	-
		306.261	(1.727.341)
Changes in working capital:			
Decrease/(increase) in inventories		**1.249.845**	(200.373)
Decrease in trade and other receivables		**40.668.332**	510.425
Decrease in receivables from other related parties		**952**	-
Decrease/(increase) in contract assets		**139.208**	(119.199)
Decrease in financial assets at amortized cost		**-**	3.570
Decrease in trade and other payables		**(18.093.328)**	(367.011)
Decrease in contract liabilities		**(98.536)**	(141.302)
Cash generated from/(used in) operations		**24.172.734**	(2.041.231)
Tax paid		**(647.779)**	(16.485)
Debit interest and related expenses paid		**(155.009)**	-
Net cash generated from/(used in) operating activities		**23.369.946**	(2.057.716)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	21	**(850)**	-
Payment for purchase of property, plant and equipment	18	**(3.977.761)**	(538.060)
Payment for purchase of investment property	20	**(309.803)**	(226.207)
Acquisition of subsidiaries, net cash outflow on acquisition	23	**(56.694.318)**	-
Payment for purchase of investments held-to-maturity		**(125.008)**	-
Proceeds from disposal of property, plant and equipment		**152.643**	-
(Deposits) in joint ventures	25	**(3.166)**	-
Interest received		**23.388**	-
Government grants received		**16.360**	-
Net cash used in investing activities		**(60.918.515)**	(764.267)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**231.678.432**	-

The notes on pages 14 to 74 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2021

	Note	**2021** **€**	2020 €
Payments on redemption of redeemable shares		**(94.000.000)**	-
Repayments of borrowings		**(3.006.386)**	(1.131.660)
Payments of lease liabilities		**(478.632)**	-
Proceeds from borrowings		**-**	1.139.920
Interest paid		**(5.135.297)**	(13.205)
Net cash generated from/(used in) financing activities		**129.058.117**	(4.945)
Net increase/(decrease) in cash and cash equivalents		**91.509.548**	(2.826.928)
Cash and cash equivalents at beginning of the year		**1.242.863**	4.069.791
Cash and cash equivalents at end of the year	**31**	**92.752.411**	1.242.863

The notes on pages 14 to 74 form an integral part of these consolidated financial statements.

1. Corporate information

Country of incorporation

The Company MHV Mediterranean Hospitality Venture Limited (the ''Company'') was incorporated in Cyprus on 16 October 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Kuriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites, 1082 Nicosia, Cyprus.

Principal activities

The principal activities of the Group changed within the year. The principal activity of the Group is the investment in and exploitation of real estate with focus mainly on hospitality and tourism market (hotels and resorts) as well as the development and sale of real estate of various uses (residential, commercial, mixed) in Cyprus, Greece and the Mediterranean. The Group is also active in retail activities through the subsidiary of MHV Lifestyle Limited, which in 2021 opened a boutique on the premises of the Parklane Hotel.

The Group currently owns, develops and / or operates the following assets:

The Landmark Hotel in Nicosia Cyprus through its subsidiary The Cyprus Tourism Development Company Limited.

The Parklane a Luxury Collection Resort & Spa in Limassol Cyprus and the Park Tower which consists of 20 luxury apartments in Limassol Cyprus, through its subsidiary Parklane Hotels Limited.

Aphrodite Hills Resort in Paphos Cyprus, which includes a 5-star hotel, golf course, club, tennis and spa, through its subsidiary Aphrodite Hills Resort Limited. Among the activities of the company is the development and sale of real estate in Aphrodite Hills and the provision of management, rental and other services to Aphrodite Hills homeowners and residents.

Nikki Beach Hotel in Porto Heli in Argolida Greece, through the subsidiary Porto Heli Hotel & Marina S.A.

The Group also owns a residential building complex in the district of Pyrgos, Limassol, which is used for the accommodation of Parklane Hotel staff. The property is owned by the subsidiary Stromay Holdings Limited.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2021 and relevant to the Company have been adopted by the EU through the endorsement procedure established by the European Commission.

These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, and financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

3. Adoption of new or revised standards and interpretations

During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2021. This adoption did not have a material effect on the accounting policies of the Group.

4. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented in these consolidated financial statements unless otherwise stated.

Basis of consolidation

The Group consolidated financial statements comprise the financial statements of the parent company MHV Mediterranean Hospitality Venture Limited and the financial statements of its subsidiaries, as disclosed in the note 22 of the consolidated financial statements.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

4. Summary of significant accounting policies (continued)

Business combinations (continued)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

4. Summary of significant accounting policies (continued)

Investments in associates (continued)

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Joint arrangements

Joint arrangements are arrangements of which the Group has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

In relation to its interest in a joint operation, the Group recognises its assets, liabilities, revenue and expenses including its share of those held or incurred jointly. Interests in joint ventures are recognised as an investment and are accounted for using the equity method as described in 'Investments in associates' above.

Transactions eliminated on consolidation

Intra group balances, and any unrealised income and expenses arising from intra group transactions are eliminated in preparing consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Acquisition for entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

4. Summary of significant accounting policies (continued)

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates". Goodwill on acquisitions of investments in joint ventures is included in "investments in joint ventures".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Any excess of the interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost is recognised immediately in profit or loss.

Revenue

Recognition and measurement

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

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

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

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

Identification of performance obligations

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

4. Summary of significant accounting policies (continued)

Revenue recognition (continued)

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

- **Sale of products**

  Sales of products are recognised at the point in time when the Group satisfies its performance obligation by transferring control over the promised products to the customer, which is usually when the products are delivered to the customer, risk of obsolescence and loss have been transferred to the customer and the customer has accepted the products.

- **Rendering of services**

  Rendering of services - over time:
  Revenue from rendering of services is recognised over time while the Group satisfies its performance obligation by transferring control over the promised service to the customer in the accounting period in which the services are rendered.

  For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

  The input method is used to measure progress toward completion of the performance obligation as it provides a faithful depiction of the transfer of the control of the services to the customer.

  Rendering of services - at a point in time:
  The Group concluded that it transfers control over its services at a point in time, upon receipt by the customer of the service, because this is when the customer benefits from the relevant service.

- **Commission income**

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

- **Land development and resale**

  Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognised at a point in time when the legal title has passed to the customer.

  The revenue is measured at the transaction price agreed under the contract. In most cases, the consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted for the effects of a significant financing component.

- **Rental income**

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

4. Summary of significant accounting policies (continued)

Employee benefits

The Group and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

Finance income

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currency translation

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

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

Tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the consolidated statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

4. Summary of significant accounting policies (continued)

Tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Dividends

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Company's shareholders. Interim dividends are deducted from equity when they are declared and approved by the Group's Directors.

Property, plant and equipment

Land and buildings are carried at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Revaluations are carried out with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. All other property, plant and equipment are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to other comprehensive income. Decreases that offset previous increases of the same asset are charged against that reserve; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from fair value reserves to retained earnings.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

4. Summary of significant accounting policies (continued)

Property, plant and equipment (continued)

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

	%
Bungalows	2
Buildings	0,93-4
Cultery, linen & uniforms	0-20
Plant and machinery	10-15
Golf courts	1
Leasehold improvements	3
Motor vehicles	20
Furniture, fixtures and office equipment	8-10
Computer hardware	20
Softwares	20-33,3
Other intaginble assets	6-9

No depreciation is provided on land.

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

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. When revalued assets are sold, the amounts included in the fair value reserves are transferred to retained earnings.

Deferred income

Deferred income represents income receipts which relate to future periods.

Deferred income from government grants

Government grants on non-current assets acquisitions are credited to profit or loss in instalments over the estimated useful economic lives of the corresponding assets. This is achieved by deducting grants from the book value of these assets and the recognition of income through the reduced depreciation charge. Grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants that relate to expenses are recognised in profit or loss as revenue.

Income from government grants

Government grants for financial assistance are recognized in the statement of comprehensive income as other operating income.

4. Summary of significant accounting policies (continued)

Investment properties

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

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

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Amortizations are calculated using the straight-line method to deduct the cost or revaluation of each intangible asset over its expected useful life.

Computer software

Costs that are directly associated with identifiable and unique computer software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year are recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programs are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years. Amortisation commences when the computer software is available for use.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4. Summary of significant accounting policies (continued)

Leases

At inception of a contract, the Group assesses 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 assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16. However, when the Group was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

The Group as lessee

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 and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

4. Summary of significant accounting policies (continued)

Leases (continued)

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 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.

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.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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 a purchase, 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 its right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' in the consolidated statement of financial position.

The lease liabilities are presented in 'loans and borrowings' in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise the right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets (i.e. IT equipment, office equipment etc.). The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

4. Summary of significant accounting policies (continued)

Impairment of non-financial assets

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

An impairment loss is recognized for the amount that the carrying amount of an asset (or Cash Generating Unit) exceeds its recoverable amount. Recoverable amount is the greater of the fair value less costs to sell and the present value (present value of estimated future cash flows) of the asset (or NPV). An impairment loss is recognized immediately in profit or loss unless the asset is presented at a revalued amount, in which case an impairment loss is recognized as a reduction in the revaluation reserve.

Financial assets

Financial assets - Classification

The Group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

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

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

The Group assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Group measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

The financial instruments measured at amortized cost are presented in the consolidated balance sheet net of the provision for expected credit losses.

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

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Group applies general approach - three stage model for impairment. The Group applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Group identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Group determines when a SICR has occurred. If the Group determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Group's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

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

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

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the consolidated statement of financial position, bank overdrafts are included in current liabilities. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Classification as financial assets at amortised cost

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

Classification as trade receivables

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

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

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

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

Borrowings

Borrowing is initially recognized at fair value after deducting transaction costs. The loan is subsequently carried at amortized cost. Any difference between the proceeds (after deducting transaction costs) and the repayment amount is recognized in the income statement during the loan using the effective interest method, unless directly attributable to the market, construction or production of an eligible asset, in which case they are capitalized as part of the cost of the asset. The loan is classified as current liability, unless the Group has the unconditional right to defer repayment of the liability for at least twelve months after the balance sheet date.

Fees paid to set up a loan facility are recognized as the transaction costs of the loan to the extent that it is probable that part or the facility in full will be used. In this case, the fee is deferred until the loan is taken out. In the event that there is no indication that part or all of the facility is likely to be used, the fee is capitalized as an advance (for liquidity services) and amortized over the period of the facility to which it relates.

Borrowing is deducted from the balance sheet when the obligation specified in the contract is discharged (eg when the obligation specified in the contract is fulfilled, canceled or expires). The difference between the carrying amount of a financial liability paid or transferred to another party and the price paid, including any non-monetary assets transferred or liabilities, are recognized in the income statement as other income or financial expenses.

4. Summary of significant accounting policies (continued)

Financial assets (continued)

Financial liabilities - measurement categories

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

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

Borrowings

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

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities - Modifications

An exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Group incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Group and the costs can be measured reliably.

4. Summary of significant accounting policies (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statement of financial position.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Prepayments

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition. Prepayments to acquire assets are transferred to the carrying amount of the asset once the Group has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Group. Other prepayments are written off to profit or loss when the goods or services relating to the prepayments are received. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss.

Land and buildings under development

The cost of land and buildings under development and completed buildings for sale comprise the cost of acquiring the land and the development costs of the buildings. The development cost of the buildings includes raw materials, direct labour cost, depreciation of plant and equipment and other indirect costs of construction.

The land for development is carried at cost and included in land and buildings under development at the reporting date.

Work in progress

Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

4. Summary of significant accounting policies (continued)

Non-current liabilities

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

5. New accounting pronouncements

Standards issued but not yet effective

Up to the date of approval of the consolidated financial statements, certain new standards, interpretations and amendments to existing standards have been published that are not yet effective for the current reporting period and which the Group has not early adopted, as follows:

(i) Issued by the IASB and adopted by the European Union
- *Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020 (All issued 14 May 2020) (effective for annual periods beginning on or after 1 January 2022).*
- *Amendments to IFRS 16 Leases - Covid 19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021) (effective for annual periods beginning on or after 1 April 2021).*

(ii) Issued by the IASB but not yet adopted by the European Union
- *IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 23 January 2020 and 15 July 2020 respectively) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021) (effective for annual periods beginning on or after 1 January 2023).*
- *Amendments to IAS 12 - "Income Taxes": Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021) (effective for annual periods beginning on or after 1 January 2023).*

The above are expected to have no significant impact on the Group's consolidated financial statements when they become effective.

6. Financial risk management objectives and policies

Financial risk factors
The Group is exposed to interest rate risk, credit risk, liquidity risk, tourism industry risk, capital risk management and capital management risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

6.1 Interest rate risk
Interest rate risk is the risk that the value of financial instruments fluctuates due to changes in market interest rates. The Group is exposed to interest rate risk in relation to its non-short-term borrowing. Borrowing at floating-rate exposes the Group to interest rate risk relating to cash flows. Borrowing at fixed interest rate exposes the Group to interest rate risk relating to fair value. The Company's management monitors interest rate fluctuations on a continuous basis and acts accordingly.

6. Financial risk management objectives and policies (continued)

6.1 Interest rate risk (continued)

At the reporting date the interest rate profile of interest- bearing financial instruments was:

	2021	2020
	€	€
Variable rate instruments		
Financial liabilities	**111.743.889**	1.168.613
	111.743.889	1.168.613

Sensitivity analysis

An increase of 100 basis points in interest rates at 31 December 2021 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. For a decrease of 100 basis points there would be an equal and opposite impact on the profit and other equity.

	Equity		**Profit or loss**	
	2021	2020	**2021**	2020
	€	€	€	€
Variable rate instruments	**1.117.439**	11.686	**1.117.439**	11.686
	1.117.439	11.686	**1.117.439**	11.686

6.2 Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, as well as trade and other receivables.

(i) Risk management

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

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

(ii) Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:
- trade receivables
- receivables from related parties
- cash and cash equivalents

The impairment methodology applied by the Group for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:
- For trade receivables the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the financial assets.

6. Financial risk management objectives and policies (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

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

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

Significant increase in credit risk

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

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

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. No significant changes to estimation techniques or assumptions were made during the reporting period.

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

Low credit risk

The Group has decided to use the low credit risk assessment exemption for investment grade financial assets. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

6. Financial risk management objectives and policies (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Default

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

Write-off

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

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

Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2021 or 1 January 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The average credit period on sales of goods is 60 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECL.

The following gross accounting amounts represent the Group's maximum exposure to credit risk for these assets at 31 December 2021 and 31 December 2020:

	2021	2020
	€	€
Gross carrying amount - trade receivables	**2.862.064**	77.109

There were no significant trade receivables that were written off during the period subject to enforcement activities.

Receivables from related parties

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

6. Financial risk management objectives and policies (continued)

6.2 Credit risk (continued)

(ii) Impairment of financial assets (continued)

Receivables from related parties (continued)

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2021 and 31 December 2020:

Group internal credit rating	2021	2020
	€	€
Performing (Note 41.4)	**738.195**	952
Total	**738.195**	952

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

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

Cash and cash equivalents

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

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

The gross carrying amounts below represent the Group's maximum exposure to credit risk on these assets as at 31 December 2021 and 31 December 2020:

	External credit rating	2021	2020
		€	€
Moody's	A3	**3.661**	-
Moody's	B1	**8.753.760**	-
Moody's	B2	**13.660.555**	-
Moody's	B3	**12.298**	1.196.741
No external credit rating	N/A	**74.330.748**	26.822
Total		**96.761.022**	1.223.563

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

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

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

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

The table below presents the contractual maturity analysis of the Group's financial liabilities, based on the contractual outstanding cash flows:

6. Financial risk management objectives and policies (continued)

6.3 Liquidity risk (continued)

31 December 2021	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	107.568.450	126.803.327	-	14.931.690	13.052.650	31.682.728	67.136.259
Lease liabilities	4.427.200	5.944.323	-	1.146.136	781.891	1.136.296	2.880.000
Bank overdrafts	4.175.430	4.175.430	4.175.430	-	-	-	-
Trade and other payables	16.794.737	12.895.166	-	12.895.166	-	-	-
Payables to related parties	24.941.523	24.941.523	-	24.941.523	-	-	-
Contractual obligations	616.500	616.500	-	616.500	-	-	-
	158.523.840	**175.376.269**	**4.175.430**	**54.531.015**	**13.834.541**	**32.819.024**	**70.016.259**

31 December 2020	Carrying amounts	Contractual cash flows	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years
	€	€	€	€	€	€	€
Bank loans	1.383.895	1.383.895	-	133.080	133.260	399.780	717.775
Trade and other payables	2.141.478	2.141.478	-	2.141.478	-	-	-
	3.525.373	3.525.373	-	2.274.558	133.260	399.780	717.775

6.4 Tourism industry risk

- The political situation in Cyprus, Greek-Turkish relations and the political situation in the South-eastern Mediterranean area may seriously impact the tourism industry.
- The operations of the Group are characterised by a high degree of seasonality, between the summer and winter months. Specifically, the Group's high season is in the summer, between April and October, and its low season between the months of November and March.
- The competitiveness of Cyprus and Greece in the international tourism market and the increasing competition within the Cypriot and Greek markets may affect the results of the Group, due to the fact that the major part of operations is carried out during the summer period.
- The economic situation in Europe and the United States may adversely affect the tourism industry due to the fact that the largest number of tourists comes from Europe and the United States.
- The negative impacts of the Covid19 pandemic in the economy in general.
- Military action with the Russian invasion of Ukraine could negatively affect the tourism of Cyprus as it is significantly dependent on the Russian market.

6.5 Capital risk management

Capital includes equity shares and share premium and redeemable preference shares.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions, in order to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

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

7. Critical accounting estimates, judgments and assumptions

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

7. Critical accounting estimates, judgments and assumptions (continued)

Critical accounting estimates and assumptions

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

- **Calculation of loss allowance**

  When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

  Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

  Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Disclosures regarding the method used, significant assumptions and sensitivity on such assumptions are presented in note 6.

- **Work in progress**

  Work in progress is stated at cost plus any attributable profit less any foreseeable losses and less amounts received or receivable as progress payments. The cost of work in progress includes materials, labour and direct expenses plus attributable overheads based on a normal level of activity. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

7. Critical accounting estimates, judgments and assumptions (continued)

Critical judgements in applying the Group's accounting policies

- **Fair value of investment property**

  The fair value of investment property is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the investment property has been estimated based on the fair value of their individual assets.

  The properties were revalued at fair value in December 2021 based on an assessment made by independent real estate appraisers, with appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value of land and buildings was determined based on the income capitalization approach. The income capitalization approach uses the EBITDA of the property and distributes these future benefits to the mortgage and equity data, based on market performance rates and loan-to-value ratios. The value of each item is calculated through discounted cash flows and an income capitalization approach. The total of the mortgage item and the net worth item is equal to the value of the property. This approach is often chosen as the preferred valuation method for income-generating properties because it better reflects the investment thinking of informed buyers.

  The property was revalued at fair value in December 2021 on the basis of an appraisal made by independent appraisers, who are recognized and have professional training and experience related to the location and category of the property in question. The fair value of real estate investments was determined based on the development of the property. The utilization method is applied, among other things, in cases where a property has prospects for utilization or improvement / renovation. This methodology is based on the maximum price that the owner or potential investor would be willing to pay for a property in its current condition, in order to make full use of it and then to exploit it.

- **Impairment of goodwill**

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

- **Useful live of depreciable assets**

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

7. Critical accounting estimates, judgments and assumptions (continued)

- **Fair value property, plant and equipment**

The fair value of real estate is determined on the basis of market value, which is the value in the free market, based on estimates by Management and independent appraisers. The Management makes a judgment to determine the market value and makes assumptions, which are based mainly on the real estate market situation at each balance sheet date.

Land and buildings were revalued at fair value in December 2021 based on an assessment made by independent real estate appraisers, with appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. The fair value of land and buildings was determined based on the income capitalization approach. The income capitalization approach uses the EBITDA of the property and distributes these future benefits to the mortgage and equity elements, based on market performance rates and loan-to-value ratios. The value of each item is calculated through discounted cash flows and an income capitalization approach. The total of the mortgage item and the net worth item is equal to the value of the property. This approach is often chosen as the preferred valuation method for income-generating properties because it better reflects the investment thinking of informed buyers.

The land and buildings were re-evaluated at fair value in December 2020 based on an assessment made by independent appraisers, who are recognized and have professional training and experience related to the location and category of the properties in question. The fair value of property, plant and equipment was determined on the basis of gross operating profit and on the basis of property development. The gross operating profit method, takes into consideration the net income that the asset produces or could produce. The utilization method is applied, among other things, in cases where a property has prospects for utilization or improvement / renovation. This methodology is based on the maximum price that the owner or potential investor would be willing to pay for a property in its current condition, in order to make full use of it and then to exploit it.

8. Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2021	Level 1	Level 2	Level 3	Total
	€	€	€	€
Assets measured at fair value				
Property, plant and equipment (Note 18)	-	-	261.318.797	261.318.797
Investment properties (Note 20)	-	-	31.500.000	31.500.000
Total	**-**	**-**	**292.818.797**	**292.818.797**

31 December 2020	Level 1	Level 2	Level 3	Total
	€	€	€	€
Assets measured at fair value				
Property, plant and equipment (Note 18)	-	-	45.611.568	45.611.568
Investment properties (Note 20)	-	-	14.796.207	14.796.207
Inventories	-	-	4.346.207	4.346.207
Total	-	-	64.753.982	64.753.982

8. Fair value measurement (continued)

The fair value of property, plant and equipment, investment properties and inventories has been determined by external independent property appraisers who have the appropriate recognized professional qualifications and recent experience in the location and category of property being valued.

The calculation of fair value for all properties has been categorized in Level 3 of fair value based on the data used in the appraisal technique.

Transfers between levels

There have been no transfers between different levels during the year.

8. Fair value measurement (continued)

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2021 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Property, Plant and Equipment	-				
	-				
Building Coefficient	6.700.000	Discounted cash flow	Discounted rate	11%	The higher, the lower the fair value
	-		Average selling price	€8.992 per sq.m.	The higher the, higher the fair value
	-		Average construction cost	€2.200 per sq.m.	The higher, the lower the fair value
Hotels	238.665.559	Income capitalization method/ Discounted Cash Flow Analysis	Stabilization year	2026/2027	
	-		Inflation	1,5%	
	-		Occupancy rate	39% -72%	The higher, the higher the fair value
	-		Mortgage interest rate	3%	The higher, the lower the fair value
	-		Average room rate	€142-€483	The higher, the higher the fair value
	-		Transaction costs (as a percentage of revenue)	1%-1,5%	The higher, the lower the fair value
	-		Capitalization rate	7%-9%	The higher, the lower the fair value
	-		Discounted rate	9%-10,6%	The higher, the lower the fair value
Golf/Tennis Courts	4.354.709	Income capitalization method/ Discounted Cash Flow Analysis	Stabilization year	2022	

8. Fair value measurement (continued)

Description	Fair value at 31 December 2021 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
	-		Inflation	3,5%	The higher, the lower the fair value
	-		Transaction costs	1,5%	The higher, the lower the fair value
	-		Capitalization rate	9%	The higher, the lower the fair value
	-		Discounted rate	12,8%	The higher, the lower the fair value
Restaurants (Village Square Restaurants)	1.811.528	Income capitalization method/ Discounted Cash Flow Analysis	Inflation	1,5%	
	-		Transaction costs	1,5%	The higher, the lower the fair value
	-		Capitalization rate	9%	The higher, the lower the fair value
	-		Discounted rate	12,5%	The higher, the lower the fair value
Land under development	1.400.000	Purchase price			
Residential properties	8.387.000	Purchase price			
Investment properties	-				
Commercial properties (Village Square)	2.400.000	Income capitalization method/ Discounted Cash Flow Analysis	Inflation	1,5%	
	-		Capitalization rate	6,8%	The higher, the lower the fair value
	-		Transaction costs	1,5%	The higher, the lower the fair value
	-		Discounted rate	8,5%	The higher, the lower the fair value

8. Fair value measurement (continued)

Description	Fair value at 31 December 2021 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Land under development (transferred to inventories)	29.100.000	Income capitalization method/ Discounted Cash Flow Analysis	Average monthly rental price per sq.m.	€21,5	The higher, the lower the fair value
	-		Average monthly rental price per sq.m. (Storage)	€7	The higher, the lower the fair value
	-		Vacancy rate	5%	The higher, the lower the fair value
	-		Construction cost per sq.m.	€899	The higher, the lower the fair value
	-		Professional expenses per sq.m.	€442	The higher, the lower the fair value
	-		Discounted rate	5,85% (rented)/ 6,70% (available)	The higher, the lower the fair value

Description	Fair value at 31 December 2020 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Property, Plant and Equipment	-				
Hotels	49.700.000	Income capitalization method	Average selling price per sq.m.	€160	The higher, the higher the fair value
	-		Renovation costs per room	€50.000	The higher, the lower the fair value
	-		Final percentage of capitalization (terminal)	8%	The higher, the lower the fair value
	-		Discounted rate	8,7%	The higher, the lower the fair value
Investment properties	-				
Land under development	14.900.000	Income capitalization method	Price per sq.m.	€5.100	The higher, the lower the fair value

8. Fair value measurement (continued)

Description	Fair value at 31 December 2020 €	Valuation technique	Unobservable input	Range (weighted average)	Relationship of unobservable inputs to fair values
Property, Plant and Equipment	-				
	-		Price per per sq.m.	21-22	The higher, the lower the fair value
	-		Construction costs per unit	€1.500-€1.700	The higher, the lower the fair value
	-		Discounted rate	17%	The higher, the lower the fair value
	-				
	-				
Inventories	-				
Land transferred to inventories	4.346.207	Utilization method	Average selling price of housing units per sq.m.	€4.400	
	-		Residential sales schedule	Year 2: 8,24% Year 3: 22,35% Year 4: 24,71% Year 5: 21,18% Year 6: 15,29%	The longer the time frame, the lower the fair value
	-		Sales costs	2% Commissions and legal costs 2% promotion costs	The higher, the lower the fair value
	-		Construction cost per sq.m.	€2.300	The higher, the lower the fair value
	-		Discounted rate	9,95%	The higher, the lower the fair value

Sensitivity of Management's estimates 31 December 2021

Description	Change
Property, plant and equipment	
Building Coefficient	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€4.100.000-€9.200.000**
Hotels	
Change in capitalization rate	+/- 10%
Discount rate change	+/- 10%
Change in construction costs	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€231.030.000 – €361.200.000**
Golf/Tennis Courts	
Change in capitalization rate	+/- 10%
Discount rate change	+/- 10%
Fair value range based on changes in key estimates	**€4.000.000-€5.100.000**
Restaurants (Village Square Restaurants)	
Change in capitalization rate	+/- 10%
Discount rate change	+/- 10%
Fair value range based on changes in key estimates	**€1.100.000-€1.400.000**
Investment properties	
Discount rate change	+/- 10%
Change in construction costs	+/- 10%
Fair value range based on changes in key estimates	**€22.800.000-€41.600.000**
Land under development	
Discount rate change	+/- 10%
Change in selling price	+/- 10%
Fair value range based on changes in key estimates	**€1.400.000-€1.800.000**

Description	Change
Sensitivity of Management's estimates 31 December 2020	
Property, plant and equipment	
Change in occupancy rate	+/- 2%
Change in average room rate (after renovation)	€5 / - €10
Change in beverage and food revenues per room	+/- 5%
Change in management costs	+ / - 0,5%
Change in capital expenditures	+/- 5%
Change of final capitalization rate	6,9%-7,5%
Discount rate change	9,5%-10,5%
Fair value range based on changes in key estimates	**€41.900.000 – €46.700.000**
Investment properties	
Average rental price per square meter per month	€15 - €16
Change in occupancy rate as a percentage of gross rental income	-3%
Landlord costs as a percentage of rental income	2%
Change in construction costs per square meter	+/- 5%
Discount rate change	9,5% - 10,5%
Fair value range based on changes in key estimates	**€7.100.000- €14.800.000**
Inventories	
Average rental price per square meter per month	€15 - €16
Change in occupancy rate as a percentage of gross rental income	-3%
Landlord costs as a percentage of rental income	2%
Change in construction costs per square meter	+/- 5%
Discount rate change	9,5% - 10,5%
Fair value range based on changes in key estimates	**€2.600.000-€4.600.000**

9. Revenue

Disaggregation of revenue	**2021**	2020
	€	€
Hotel Operations	**31.363.780**	3.108.554
Property management	**560.873**	-
Real estate development	**30.792.217**	-
Boutique sales	**201.751**	-
Other operations	**1.978.336**	-
	64.896.957	3.108.554

10. Cost of sales

	2021	2020
	€	€
Changes in inventories	**19.319.993**	226.688
Salaries (Note 15)	**10.864.697**	1.634.767
Purchases	**4.200.769**	-
Purchases returns	**(2.551)**	-
Direct costs - goods, materials and services	**432.859**	-
Commissions payable	**644.742**	-
Night guard expenses	**13.224**	-
Gardening expenses	**80.952**	-
Construction Cost (realty)	**10.257.585**	-
Agent Fees & Commissions (realty)	**363.336**	-
Utility/Electricity expenses	**481.776**	-
Water supply and cleaning	**653.825**	-
Departmental expenses	**780.695**	-
Entertainment	**145.001**	-
Uniforms	**136.329**	-
Machinery repairs and maintenance	**1.062.038**	-
Depreciation (Note 18+19)	**1.462.036**	836.492
Other direct costs	**2.151.255**	366.928
	53.048.561	3.064.875

11. Other income

	2021	2020
	€	€
Gain from sale of property, plant and equipment	**21.892**	-
Other income	**18.778**	8.644
Reversal of impairment allowance for trade receivables	**13.057**	-
Fair value gains on investment property	**14.093.990**	-
Government grants	**404.755**	-
Rental income	**112.638**	-
	14.665.110	8.644

Government grants relate to the amount received due to the effects of the Covid-19 pandemic.

12. Other expenses

	2021	2020
	€	€
Impairment charge - land under development (Note 27)	**558.854**	-
Revaluation loss on building (Note 18)	**4.595.997**	-
	5.154.851	-

13. Selling and distribution expenses

	2021	2020
	€	€
Salaries (Note 15)	**166.575**	-
Advertising	**341.920**	-
Inland travelling	**68.874**	-
Sundry expenses	**13.744**	-
Entertainment	**67.370**	-
Overseas representative fees	**53.294**	-
	711.777	-

14. General and adminisration expenses

	2021	2020
	€	€
Salaries (Note 15)	**3.005.180**	859.786
Incorporation expenses	**2.190**	-
Other expenses	**(12.776)**	134.543
Annual royalty fees	**30.000**	-
Security expenses	**34.921**	26.216
Sewage expenses	**109.195**	-
Municipality taxes	**60.171**	-
Annual levy	**1.400**	-
License fees	**259.912**	-
Electricity	**1.765.953**	-
Water supply and cleaning	**24.547**	31.775
Insurance	**258.491**	75.627
Repairs and maintenance	**156.057**	99.100
Sundry expenses	**297.531**	6.588
Telephone and postage	**66.472**	86.479
Transactions costs	**882.728**	-
Stationery and printing	**15.667**	-
Subscriptions and contributions	**130.424**	15.666
Management fees	**2.650.000**	-
Food and beverage	**132.676**	-
Operating lease rentals	**41.500**	-
Commissions	**59.013**	108.110
Staff training	**2.560**	-
Sundry staff costs	**2.432**	-
Domain name/Trademark fees	**3.280**	-
Auditor's remuneration - current year for the statutory audit of annual accounts	**80.100**	23.000
Auditor's remuneration prior years	**8.885**	-
Accounting fees	**7.230**	-
Legal fees	**254.904**	-
Legal and professional	**972.182**	315.870
Management and performance fees	**945.557**	524.022
Revenue stamps	**240.044**	-
Fines	**86.736**	42.501
Travelling	**45.342**	-
Irrecoverable VAT	**126.616**	2.361
Entertainment	**54.057**	17.472
Professional licence expenses	**314.479**	-
Administration expenses	**27.941**	-
Administrative rights	**350.090**	-
Advertising and promotion costs	**71.653**	87.385
Computer support services	**46.293**	59.723
Consumables	**63.375**	100.082
Depreciation (Note 18+19)	**3.424.045**	-
Amortization (Note 21)	**203.706**	-
	17.302.759	2.616.306

15. Salaries

	2021	2020
	€	€
Salaries	**11.847.684**	2.164.583
Social security, provident fund and other contributions	**1.503.893**	329.970
Gift and termination bonuses	**637.454**	-
Other - Business meals, travel and accommodation	**47.421**	-
	14.036.452	2.494.553

Average number of employees:		
Full time	**702**	138
Part time	**148**	11
	850	149

The Group participates in the Hotel Industry Employees Provident Fund.

16. Finance income/(costs)

	2021	2020
	€	€
Finance income		
Interest from banks	**7**	-
Interest income - on financing activities	**12.659**	-
Interest receivable	**10.722**	-
Unrealised foreign exchange profit	**9.973**	-
	33.361	-
Finance costs		
Interest expense		
Interest expense	**(1.251.621)**	(41.898)
Effective interest expenses on deferred consideration	**(222.284)**	-
Interest expense on lease liabilities	**(131.276)**	-
Loan arrangement fees	**(68.076)**	-
Sundry finance expenses		
Bank charges	**(218.432)**	(4.275)
Bank commission on letters of guarantee	**(665.470)**	-
Mortgage fees	**(130.010)**	-
Net foreign exchange losses		
Unrealised foreign exchange loss	**(31)**	-
	(2.687.200)	(46.173)
Net finance costs	**(2.653.839)**	(46.173)

17. Tax

	2021	2020
	€	€
Corporation tax	**10.914**	5.093
Defence contribution	**980**	-
Deferred tax - credit (Note 35)	**(1.883.543)**	(303.921)
Credit for the year	**(1.871.649)**	(298.828)

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

	2021	2020
	€	€
Profit/(loss) before tax	**45.044.518**	(4.900.392)
Tax calculated at the applicable tax rates	**5.630.565**	(612.549)
Tax effect of expenses not deductible for tax purposes	**2.998.086**	393.465
Tax effect of allowances and income not subject to tax	**(8.444.420)**	158.323
Tax effect of tax losses brought forward	**(173.317)**	-
Defence contribution current year	**980**	-
Deferred tax	**(1.883.543)**	(303.921)
Tax effect of tax losses for which no deferred tax claim has been recognized	**-**	6.724
Deferred tax effect	**-**	59.130
Tax charge	**(1.871.649)**	(298.828)

The corporation tax rate is 12,5%. In addition, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

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

18. Property, plant and equipment

	Land and buildings	Property under construction	Cultery, linen & uniforms	Motor vehicles	Furniture, fixtures and office equipment	Computers hardware	Total
	€	€	€	€	€	€	€
Cost or valuation							
Balance at 1 January 2020	63.935.112	-	-	40.000	11.051.623	-	75.026.735
Additions	496.269	-	-	-	41.791	-	538.060
Transfer to investment properties	(14.570.000)	-	-	-	-	-	(14.570.000)
Transfer to inventories	(4.120.000)	-	-	-	-	-	(4.120.000)
Balance at 31 December 2020	**45.741.381**	**-**	**-**	**40.000**	**11.093.414**	**-**	**56.874.795**
Balance at 31 December 2020/ 1 January 2021	**45.741.380**	**-**	**-**	**40.000**	**11.093.414**	**-**	**56.874.794**
Acquisitions through business combinations	188.563.618	-	2.218.725	211.312	31.620.107	4.259.382	226.873.144
Additions	3.073.834	254.596	51.154	-	571.527	26.650	3.977.761
Disposals	-	-	-	(40.000)	(277.865)	-	(317.865)
Adjustment on revaluation	24.632.594	-	-	-	-	-	24.632.594
Impairment charge	(4.595.997)	-	-	-	-	-	(4.595.997)
Balance at 31 December 2021	**257.415.429**	**254.596**	**2.269.879**	**211.312**	**43.007.183**	**4.286.032**	**307.444.431**
Depreciation							
Balance at 1 January 2020	1.355.680	-	-	40.000	9.031.055	-	10.426.735
Charge for the year	364.714	-	-	-	471.777	-	836.491
Balance at 31 December 2020	**1.720.394**	**-**	**-**	**40.000**	**9.502.832**	**-**	**11.263.226**
Balance at 31 December 2020/ 1 January 2021	**1.720.394**	**-**	**-**	**40.000**	**9.502.832**	**-**	**11.263.226**
Acquisitions through business combinations	8.616.517	-	-	93.464	19.169.205	3.234.031	31.113.217
Charge for the year	2.113.228	-	-	35.923	1.622.631	103.408	3.875.190
On disposals	-	-	-	(40.000)	(167.924)	-	(207.924)
Balance at 31 December 2021	**12.450.139**	**-**	**-**	**129.387**	**30.126.744**	**3.337.439**	**46.043.709**
Net book value							
Balance at 31 December 2021	**244.965.290**	**254.596**	**2.269.879**	**81.925**	**12.880.439**	**948.593**	**261.400.722**
Balance at 31 December 2020	**44.020.986**	**-**	**-**	**-**	**1.590.582**	**-**	**45.611.568**

The land and buildings have been used as collateral in the Group's loan agreements, as noted in Note 33.

As at 31 December 2020, land with a book value of € 4.120.000 and land with a book value of € 14.570.000 were transferred to inventories and investment properties respectively due to a change of use.

18. Property, plant and equipment (continued)

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2021	2020
	€	€
Cost	**233.037.431**	45.741.380
Accumulated depreciation	**(12.450.139)**	(1.720.394)
Net book value	**220.587.292**	44.020.986

Fair value hierarchy

The methodology and information used to estimate fair value at the date of transfer are given in Note 8.

19. Right-of-use assets

	Beach Leases	**Properties**	**Residential properties**	**Total**
	€	€	€	€
Cost				
Acquisitions through business combinations	2.230.619	206.568	1.472.724	3.909.911
Additions	-	326.844	1.255.470	1.582.314
Balance at 31 December 2021	**2.230.619**	**533.412**	**2.728.194**	**5.492.225**
Depreciation				
Acquisitions through business combinations	139.414	51.642	586.929	777.985
Charge for the year	69.707	111.068	830.116	1.010.891
Balance at 31 December 2021	**209.121**	**162.710**	**1.417.045**	**1.788.876**
Net book amount				
Balance at 31 December 2021	**2.021.498**	**370.702**	**1.311.149**	**3.703.349**

20. Investment properties

	2021	2020
	€	€
Balance at 1 January	**14.796.207**	226.207
Additions	**309.803**	14.570.000
Transfer to inventories	**(29.100.000)**	-
Acquired through business combination	**2.300.000**	-
Revaluation in fair value of investment properties	**14.093.990**	-
Balance at 31 December	**2.400.000**	14.796.207

The Company's investment properties are measured at fair value. Changes in fair values are presented in the statement of profit or loss and other comprehensive income.

Investment properties consist of commercial real estate, which is leased to third parties for a period of one year, with the possibility of automatic renewal.

Investment properties have been used as collateral in the loan agreements of the Group (Note 33).

On December 31, 2021 an amount of € 29.100.000 relating to Land was reclassified from investment properties to inventories due to a change in use (Note 27).

20. Investment properties (continued)

As at 31 December 2020, an amount of € 14.570.000 relating to Land was reclassified to investment properties from Property, Plant and Equipment due to a change in use (Note 18).

The methodology and information used to estimate fair value at the date of transfer are given in Note 8.

21. Intangible assets

	Goodwill	Intangible assets	Total
	€	€	€
Cost			
Balance at 1 January 2020	-	403.645	403.645
Additions	2.290.236	-	2.290.236
Impairment charge	(2.290.236)	-	(2.290.236)
Balance at 31 December 2020/ 1 January 2021	**-**	**403.645**	**403.645**
Additions	2.856.252	850	2.857.102
Additions from acquisitions of subsidiaries	-	13.325.817	13.325.817
Balance at 31 December 2021	**2.856.252**	**13.730.312**	**16.586.564**
Amortisation			
Balance at 1 January 2020	-	305.006	305.006
Balance at 31 December 2020/ 1 January 2021	**-**	**305.006**	**305.006**
Amortisation for the year	-	203.706	203.706
Balance at 31 December 2021	**-**	**508.712**	**508.712**
Net book amount			
Balance at 31 December 2021	**2.856.252**	**13.221.600**	**16.077.852**
Balance at 31 December 2020	**-**	**98.639**	**98.639**

The intangible assets include property management services.

Impairment assessment

The goodwill is distributed to the cash-generating units and the goodwill included in the financial statements of the Group represents the goodwill paid for the acquisition of the subsidiary "Portocheli Hotel & Marina SA" (Note 23).

During the year ended 31 December 2020, the cash-generating unit of the Cyprus Turism Development Cyprus Limited was adversely affected by the Covid-19 pandemic and government restrictions. During the annual assessment made on 31 December 2020, the goodwill of the hotel unit was fully impaired and an amount of € 2.290.236 was charged to the consolidated statement of profit or loss and other comprehensive income. Recoverable amount was determined based on actual market value of the transaction between the parent company Prodea Investments and the YODA Group for the sale of 45% of MHV Mediterranean Hospitality Venture Limited (formerly Vibrana Holdings Limited), owned by The Cyprus Tourism Development Company Limited (CTDC) ", owner of The Landmark Nicosia Hotel.

22. Investments in subsidiaries

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2021 Holding %	2020 Holding %
The Cyprus Tourism Development Company Limited	Cyprus	Hotels, tourism and real estate	100	100
Parklane Hotels Limited	Cyprus	Hotels, tourism and real estate	100	
Portocheli Hotel & Marina S.A	Greece	Hotels, tourism and real estate	100	
Aphrodite Hills Resort Limited	Cyprus	Hotels, tourism and real estate	100	
MHV Lifestyle Limited	Cyprus	Aparel retailer	100	
Stromay Holdings Limited	Cyprus	Holding of investments	100	
MHV IA Limited (Formerly Bartelli Ltd)	Cyprus	Holding of investments	100	
Parklane Beach Bar Limited	Cyprus	Dormant	100	
Aphrodite Hotels Limited	Cyprus	Hotels, tourism and real estate	100	
Aphrodite Hills Services Limited	Cyprus	Provision of drainage and security services to properties located at Aphrodite Hills	100	
Aphrodite Hills Property Management Limited	Cyprus	Provision of repairs, maintenance and rentals to owners/residents	100	
The Aphrodite Tennis & Spa Limited	Cyprus	Operation of a tennis academy	100	
MHV Bluekey One Single Member S.A.	Greece	Hotels, tourism and real estate	100	

All subsidiaries are included in the consolidation.

23. Acquisition of subsidiaries

During the year the Group acquired through business combinations the following subsidiaries. All these transactions have been accounted for with the acquisition method of accounting.

Name	Acquisition date	Percentage acquired	Country and principal activity
Parklane Hotels Limited	09/04/2021	100	Cyprus, Hotels, tourism and real estate
Porto Heli Hotel & Marina S.A.	12/05/2021	100	Greece, Hotels, tourism and real estate
Stromay Holdings Limited	14/10/2021	100	Cyprus, Holding of investments

Goodwill arising on consolidation:

	Parklane Hotels Limited	Porto Heli Hotel & Marina S.A.	**Total**
	€	€	€
Consideration price	61.084.383	5.116.662	**66.201.045**
Less: Fair value of the net assets acquired	(105.436.730)	(2.260.410)	**(107.697.140)**
Goodwill arising on consolidation (Note 21):	(44.352.347)	2.856.252	**(41.496.095)**

The assets and liabilities acquired were as follows:

	2021 Parklane Hotels Limited	2021 Porto Heli Hotel & Marina S.A. (2021)	Fair Value 2021
	€	€	€
Intangible assets	-	25.817	25.817
Property, plant and equipment	124.900.000	10.074.183	134.974.183
Other non-current receivables	-	17.500	17.500
Inventories	75.765.705	33.402	75.799.107
Trade and other receivables	9.259.854	99.428	9.359.282
Cash at bank and in hand	2.586.665	60.679	2.647.344
Righ-of use assets	2.073.778	142.015	2.215.793
Trade and other creditors	(32.510.979)	(430.002)	(32.940.981)
Lease liabilities	(2.178.427)	(146.880)	(2.325.307)
Borrowings	(72.923.685)	(4.137.820)	(77.061.505)
Government grant from a repayable advance payment	-	(159.063)	(159.063)
Deferred tax liabilities	(1.536.181)	-	(1.536.181)
Other long-term liabilities	-	(3.314.361)	(3.314.361)
Obligations of staff benefits due to leaving service	-	(4.488)	(4.488)
Net assets of subsidiaries]	**105.436.730**	**2.260.410**	**107.697.140**
Net assets acquired	**105.436.730**	**2.260.410**	**107.697.140**

For the purposes of the consolidated cash flow statement, the net cash outflow from the acquisition includes	**2021**	2020
	€	€
Cash consideration paid	**74.751.069**	-
Cash and cash equivalents acquired	**(2.647.344)**	-
Non-cash transactions for the acquisition of subsidiaries	**(15.409.407)**	-
Non-cash transactions for the acquisition of subsidiaries	**56.694.318**	-

Part of the acquisition of the subsidiaries concerns deferred consideration (Note 26) and transfer of investment property.

23. Acquisition of subsidiaries (continued)

"Parklane Hotels Limited" has contributed to the Group revenues of € 55.691.284 and a profit of € 4.262.397 for the period from April 9, 2021 to December 31, 2021.

"Porto Heli Hotel & Marina S.A" has contributed to the Group revenues of € 3.037.018 and a loss of € 373.189 for the period from 12 May 2021 to 31 December 2021.

23.1 Common control transaction

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity. Aphrodite Hills was considered as common control transaction and no goodwill has been recognized. The difference between agreed consideration for the acquisition of AHRL shares and the fair value of Net Assets Acquired was recognized as loss in equity.

24. Investments in associates

	2021	2020
	€	€
Balance at 1 January	**-**	-
Additions from business combinations	**443.043**	-
Share of results of associates before tax	**1.891**	-
Balance at 31 December	**444.934**	-

The details of the investments are as follows:

Name	Country of incorporation	Principal activities	**Holding %**
Aphrodite Hills Pantopoleion Limited	Κύπρος	Operation of supermarkets at Aphrodite Hills	45

25. Capital in joint ventures

	2021	2020
	€	€
Balance at 1 January	**-**	-
Additions from business combinations	**5.812**	-
Deposits	**3.166**	-
Balance at 31 December	**8.978**	-

25. Capital in joint ventures (continued)

The details of the joint ventures are as follows:

Name	Country of incorporation	Principal activities	**Holding** %
L'Union Branded Residences	Cyprus	Development of up-market residential properties	50

26. Deferred Consideration

	2021 €	2020 €
Liabilities		
Non-current portion	**9.368.142**	-
	9.368.142	-

The deferred consideration is related to the acquisition of Parklane Hotels Limited. Under the purchase agreement, an amount of € 10.000.000 is payable on December 24, 2023. The amount of € 10.000.000 has been discounted, using a discount rate of 3.35%.

27. Inventories and work in progress

	2021	2020
	€	€
Finished products	**1.787.450**	129.518
Stock of completed property	**69.736.639**	-
Land under development	**33.744.419**	4.346.207
Property under construction	**5.285.937**	-
	110.554.445	4.475.725

All stocks are presented at cost price.

The cost of inventories recognised as expense and included in "cost of sales" amounted to €19.319.993 (2020: €226.688).

On December 31, 2021, an amount of €29.100.000 relating to land for development was reclassified by Investment Properties (Note 20). The cost was considered the fair value of the land on December 31, 2021, which was considered as the transfer date.

An amount of €558.854 was recognized in the statement of profit or loss and other comprehensive income as an impairment in value (Note 12).

The Group's inventories have been used as collateral in the loan agreements, as mentioned in Note 33.

An amount of €4.120.000 relating to Land was reclassified to inventories from Property, Plant and Equipment (Note 18). The cost was considered to be the fair value of the land at 31 December 2020, which was considered as the transfer date.

The methodology and information used to estimate fair value at the date of transfer are given in Note 8.

28. Trade and other receivables

	2021	2020
	€	€
Trade receivables	**3.804.375**	95.618
Less: credit loss on trade receivables	**(942.311)**	(18.509)
Trade receivables - net	**2.862.064**	77.109
Directors' current accounts - debit balances (Note 41.6)	**2.039**	-
Shareholders' current accounts - debit balances (Note 41.6)	**840**	-
Receivables from other related parties (Note 41.4)	**67.210**	-
Deposits and prepayments	**48.030.399**	-
Loans receivable	**176.000**	-
Advances to subcontractors	**133.570**	-
Accrued income	**151.036**	-
VAT receivable	**1.607.804**	-
Advances to employees	**1.104**	-
Deferred expenses	**10.363**	-
Other receivables	**1.473.268**	45.030
	54.515.697	122.139

An amount of € 47.617.104, which is included in the 'Deposits and prepayments', relates to an advance payment for the purchase of the Porto Paros hotel complex on the island of Paros in Greece.

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

28. Trade and other receivables (continued)

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

29. Financial assets at fair value through profit or loss

	2021	2020
	€	€
	2021	2020
	€	€
Balance at 1 January	**1**	1
Balance at 31 December	**1**	1

30. Other asset

	2021	2020
	€	€
Balance at 1 January	**-**	-
Restricted cash	**112.470**	-
Balance at 31 December	**112.470**	-

The restricted cash represents balances that have a limited use for guarantees issued by banks in favor of real estate clients. Cash is released from security as construction progresses.

31. Cash at bank and in hand

	2021	2020
	€	€
Cash in hand	**166.828**	-
Current accounts	**96.761.022**	1.242.863
	96.927.850	1.242.863

An amount of € 368.431 concerns funds which are held on behalf of customers for future payments of utility bills.

An amount of € 815.352 is held for the repayment of the forced acquisition of the previous shareholders, of the Company "The Cyprus Tourism Development Company Limited", during the year 2019.

An amount of € 136.000 is held as collateral on the company's deposit accounts to secure bank loan.

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents include the following:

	2021	2020
	€	€
Cash at bank and in hand	**96.927.850**	1.242.863
Bank overdrafts	**(4.175.439)**	-
	92.752.411	1.242.863

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

32. Share capital

	2021 Number of shares	2021 €	2020 Number of shares	2020 €
Authorised				
Ordinary shares of €1,00 each	**1.000**	**1.000**	1.000	1.000
1 preference share of €0,01 each	**-**	**-**	1	0,01
196.789 Preference share of €1,00 each	**196.789**	**196.789**	-	-
	197.789	**197.789**	1.001	1.000,01
Issued and fully paid				
Balance at 1 January	**201**	**200,01**	201	200,01
Issue of shares	**520**	**520**	-	-
Issue of Preference share of €1,00 each	**185.200**	**185.200**	-	-
Redemption of Preference share	**(1)**	**(0,01)**	-	-
Balance at 31 December	**185.920**	**185.920**	201	200,01

Authorised capital

On 26 March 2021, the Authorised Capital decreased from EUR 1.000,01 (1.000 ordinary shares of EUR 1 plus 1 Preference Share of EUR 0,01) to EUR 1.000 (1.000 ordinary shares of EUR 1) with the redemption of 1 preference share of EUR 0,01.

On 7 April 2021 the Authorised Capital of the Company was increased from EUR 1.000 (1.000 ordinary shares of EUR 1) to EUR 144.449 (1.000 Ordinary shares of EUR 1 plus 143.449 Preference Shares of EUR 1).

On 11 November 2021 the Authorised Capital of the Company increased from 144.449 (1,000 Ordinary shares of EUR 1 and 143.449 Redeemable Preference Shares of EUR 1) to EUR 197.789 (1.000 Ordinary shares of EUR 1 and 196.789 Redeemable Preference Shares of EUR 1).

Issued capital

On 26 March 2021 the Company redeemed 1 preference share in the name of the Bank of Cyprus at nominal value, being the price of EUR 0,01.

On 7 April 2021 the Company issued 143.449 Redeemable Preference Shares of EUR 1.000 (Share Premium: EUR 999). 14.345 Redeemable Preference Shares to Flowpulse Limited, 64.552 Redeemable Preference Shares to Papabull Investments Limited and 64.552 Redeemable Preference Shares to Prodea Real Estate Investment Company S.A.

On 11 November 2021 the Company issued 53.340 Redeemable Preference Shares of EUR 1.000(Share Premium: EUR 999): 5.334 Redeemable Preference Shares to Flowpulse Limited, 24.003 Redeemable Preference Shares to Papabull Investments Limited and 24.003 Redeemable Preference Shares to Prodea Real Estate Investment Company S.A.

On 17 December 2021 the Company issued 100 Ordinary Shares of EUR 250 (Share Premium: EUR 249): 10 Ordinary Shares to Flowpulse Limited, 45 Ordinary Shares to Prodea Real Estate Investment Company S.A. and 45 Ordinary Shares to Papabull Investments Limited.

On 17 December 2021 the Company issued 100 Ordinary Shares of EUR 690 (Share Premium: EUR 689): 10 Ordinary Shares to Flowpulse Limited, 45 Ordinary Shares to Prodea Real Estate Investment Company S.A. and 45 Ordinary Shares to Papabull Investments Limited.

32. Share capital (continued)

On 17 December 2021 a redemption of 25.000 Redeemable Preference Shares of EUR 1.000 was made (Share Premium: EUR 999): 2.500 to Flowpulse Limited, 11.250 Redeemable Preference Shares to Prodea Real Estate Investment Company S.A. and 11.250 Redeemable Preference Shares to Papabull Investments Limited.

On 17 December 2021 a redemption of 69.000 Redeemable Preference Shares of EUR 1.000 was made (Share Premium: EUR 999): 6.900 Redeemable Preference Shares to Flowpulse Limited, 31.050 Redeemable Preference Shares to Prodea Real Estate Investment Company Societe Anonye and 31.050 Redeemable Preference Shares to Papabull Investments Limited.

On 29 December 2021 the Company issued 230 Ordinary Shares of EUR 131.265 (Share Premium: EUR 131.264): 104 Ordinary Shares to Flowpulse Limited and 126 Ordinary Shares to Papabull Investments Limited.

On 29 December 2021 the Company issued 59.105 Redeemable Preference Shares of EUR 1.000 (Share Premium: EUR 999): 26.726 Redeemable Preference Shares to Flowpulse Limited and 32.379 Redeemable Preference Shares to Papabull Investments Limited.

On 29 December 2021 the Company issued 156 Redeemable Preference Shares of EUR 1.000 (Share Premium: EUR 999): 35 Redeemable Preference Shares to Flowpulse Limited, 76 Redeemable Preference Shares to Papabull Investments Ltd and 45 Redeemable Preference Shares to Prodea Real Estate Investment Company S.A.

On 30 December 2021 the Company issued 23.150 Redeemable Preference Shares of EUR 1.000 (Share Premium: EUR 999) and 90 Ordinary Shares of EUR 178.333 (Share Premium of EUR 178.332) to Ascetico Limited.

33. Borrowings

	2021	2020
	€	€
Balance at 1 January	**1.168.613**	1.131.660
Additions from business combinations	**108.053.038**	-
Repayments	**(8.141.683)**	(1.131.660)
Additions	**-**	1.139.920
Interest of the year	**5.135.297**	28.693
Arrangement fees paid	**1.285.108**	-
Amortisation of arrangement fees	**68.077**	-
Balance at 31 December	**107.568.450**	1.168.613

	2021	2020
	€	€
Current borrowings		
Bank loans	**14.931.069**	95.517
Non-current borrowings		
Bank loans	**92.637.381**	1.073.096
Total	**107.568.450**	1.168.613

Loan amounting to: €33.815.924 (Aphrodite Hills Resort Limited)

The bank loan facility continues to bear quarterly interest at the rate of Euribor plus a margin and/or the weighted average margin as notified by the bank. The loan is separated into three tranches as follows:

33. Borrowings (continued)

Tranche A: Initial €31 million which is connected to the hotel operations of Aphrodite Hotels Limited (subsidiary). The repayment of this tranche is in accordance with a pre-agreed schedule with a balloon payment upon initial maturity in 2030. Due to the impact of COVID-19 and following government support initiatives, all the initial loan maturity years and instalments were postponed by one additional year after the initial maturity date. The repayments of 2020 were therefore postponed for 1 year and the new maturity year of the loan is 2032.

Tranche B: Initial €11 million connected to the Company's real estate and golf operations. Repayment of this tranche is linked to real estate sales with the final initial due date being in 2025. The final due date was amended to 2026, as per the above.

Tranche C: initial €8 million connected to the real estate operations of Aphrodite Springs Public Limited (a company related by virtue of common ownership). During 2020 and based on the amended agreement, the Company exercised its option 90 days before the expiration of the revised maturity date on 25 September 2020 to extent the maturity until 2025 and to transfer an amount of €4 million to Tranche B and hence link its repayment to real estate property sales. During 2021 and following the settlement of the receivable balance of €5m from Aphrodite Springs Public Limited, the Group proceeded with the repayment of €4m against the tranche C, which was fully repaid.

As at 31 December 2021, the balance of Tranche A amounted to €27.547.482 (including accrued interest) and the balance of Tranche B amounted to €6.268.442 (including accrued interest).

Based on the terms of the bank loan facility the Company is restricted from paying any dividends to its shareholders.

The bank loan and bank overdraft are secured as follows:

- Pledge over the shares of the Company, its subsidiaries, and of a related company.
- Fixed and floating security charges provided by the Company, its subsidiaries and the aforementioned related company.
- Assignment of receivables under subordinated loans.
- Mortgages over the interests in the resort property and the land.
- Mortgages over the interests in the property and the land of the aforementioned related party.
- Pledge over Group bank accounts.
- Corporate cross guarantees of the Company's shareholders and its subsidiaries.

The weighted average loan interest rate for 2021 was 2.27%

Loan amounting to: €3.889.271 (Porto Heli Hotel & Marina S.A)

In March 2020, the subsidiary issued a Bond Loan Program, with Piraeus Bank as paying agent and representative of the Bondholders. The purpose of the Loan was on the one hand the partial refinancing of equity with the return of the relevant amount to the parent company, on the other hand the financing of renovation investment of the hotel complex within 2020.

To secure the bank loan, a mortgage has been registered on the company's property. There is also a pledge on the insurance policy and deposit accounts and on the shares of the company. Some of the financial indicators of the loan agreement are not observed on December 31, 2021 and for this reason the company has requested a waiver on the financial covenants for the year 2021 by the lending bank. Management is also in advanced discussions with the bond lender to sign an amendment to the loan agreement in the near future.

Loan amounting to: €68.782.969 (Parklane Hotels Limited)

33. Borrowings (continued)

On 8 July 2021 (the loan agreement date), the Parklane Hotel Limited obtained loan facilities of €70.000.000 from Eurobank, split as follows:

- Facility A: a total of €50.000.000 which is repayable by bi-annual loan repayments on

  the 12th anniversary of the loan agreement date.

- Facility B: a total of €20.000.000 which is repayble by bi-annual loan repayments on the

  5th and a half year anniversary of the loan agreement date.

The bank loans are secured as follows:

- By first rank mortgage over the Company's properties.
- By first rank pledge over the Company's shares.
- By first rank floating charge over the Company's assets.
- By first rank charge over the Company’s bank accounts.
- By assignment of the Company's receivables and insurance policies.

The loan is subject to a floating interest rate equal to 6 months Euribor plus a margin of 2,75% per annum.

Loan amounted to: €1.080.907 (The Cyprus Tourism Development Company Limited)

On 24 January 2020, The Cyprus Tourism Development Company Limited signed a facility agreement with Bank of Cyprus on the basis of which it received a new loan of €1.139.920 with an interest rate of 3.35% and installments payable in the amount of €33.135 per quarter until April 30, 2021.

The bank loan was repaid in full on 11 February 2022.

The bank loans are secured as follows:

- By floating charge on the Company's assets for €6.834.406

  (2020: €6.834.406).

- By mortgage on freehold property of the Company for €3.208.602 (2020: €3.208.602)

- Assignment of the rights deriving from the fire insurance and commercial risk, with the General Insurance

  of Cyprus Ltd. (contract no. 131100010521) to the Company.

- Assignment of Contractors all Risk Insurance with the General Insurance of Cyprus Ltd

  (contract no. 131100010521) to Bank of Cyprus.

The weighted average interest rate at the reporting date was 3.35%.

34. Lease liabilities

	2021	2020
	€	€
Balance at 1 January	**-**	-
Additions from business combinations	**5.053.565**	-
Repayments	**(785.419)**	-
Interest on lease liabilities	**179.669**	-
Financial expenses	**(20.615)**	-
Balance at 31 December	**4.427.200**	-

	Minimum lease payments		The present value of minimum lease payments	
	2021	2020	**2021**	2020
	€	€	€	€
Not later than 1 year	**1.146.406**	-	**991.371**	-
Later than 1 year and not later than 5 years	**1.755.917**	-	**1.376.626**	-
Later than 5 years	**3.042.000**	-	**2.059.203**	-
	5.944.323	-	**4.427.200**	-
Future finance charges	**(1.517.123)**	-	**-**	-
Present value of lease liabilities	**4.427.200**	-	**4.427.200**	-

APHRODITE HILLS RESORT LIMITED

The Group leases a number of residential properties that are used as part of the accommodation services it provides to visitors. The Group has entered into various agreements with third parties for the right to use these assets for a predetermined period. The agreements are for a specific period of time and there is no automatic renewal without negotiation between the two parties for the amount and the lease period.

PARKLANE HOTELS LIMITED

The lease obligation relates to a state-owned plot of land on which the Company's hotel is located and the properties rented by the Company for the purpose of housing the Company's employees.

35. Deferred tax

Deferred tax is calculated in full on all temporary differences under the liability method using the applicable tax rates (Note 17). The applicable corporation tax rate in the case of tax losses is 12,5%.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

35. Deferred tax (continued)

The movement on the deferred taxation account is as follows:

Deferred tax liability

	Intangible assets €	Difference in accounting and tax depreciation €	Fair value gains on investment property €	Inventories €	Revaluation of land and buildings €	Total €
Balance at 1 January 2020	-	2.681.108	-	-	-	2.681.108
Charged/(credited) to:						
Profit/(Loss)	-	59.130	-	-	-	59.130
Balance at 31 December 2020	**-**	**2.740.238**	**-**	**-**	**-**	**2.740.238**
Balance at 31 December 2020/ 1 January 2021	**-**	**2.740.238**	**-**	**-**	**-**	**2.740.238**
Charged/(credited) to:						
Statement of profit or loss and other comprehensive income (Note 17)	(21.251)	(465.574)	2.345.920	(2.543.257)	-	(684.162)
Additions from acquisitions of subsidiaries	1.662.500	-	-	8.054.528	3.043.327	12.760.355
Fair value reserves	-	(106.291)	-	-	5.420.563	5.314.272
Balance at 31 December 2021	**1.641.249**	**2.168.373**	**2.345.920**	**5.511.271**	**8.463.890**	**20.130.703**

Deferred tax assets

	Tax losses €
Balance at 1 January 2020	-
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 17)	363.051
Balance at 31 December 2020/ 1 January 2021	**363.051**
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 17)	444.353
Additions from business combinations	4.700.188
Balance at 31 December 2021	**5.507.592**

36. Provisions for other liabilities and charges

	Advances from customers €	Special provision for government grant €	**Total** €
Balance at 31 December 2020/ 1 January 2021	**-**	**-**	**-**
Additions from acquisitions of subsidiaries	1.725.587	616.500	2.342.087
Balance at 31 December 2021	**1.725.587**	**616.500**	**2.342.087**

The special provision for government grant on 31 December 2021 concerns a special provision of €616.500 for the subsidiary, Parklane Hotels Limited, received during the year by the Cypriot Government, which the management expects to be revoked.

Customer advances are mainly related to customer advances from real estate sales / travel agent hotel advances.

37. Trade and other payables

	2021 €	2020 €
Trade payables	**5.182.268**	306.884
Advances from customers	**3.037.877**	-
Provision for bonuses	**878.912**	-
Social insurance and other taxes	**-**	68.708
VAT payable	**301.900**	-
Shareholders' current accounts - credit balances (Note 41.7)	**24.941.239**	-
Provision for employees' compensation	**5.010**	-
Employee leave liability	**560.395**	-
Accruals	**3.724.337**	815.809
Other creditors	**5.966.681**	1.018.785
Payables to other related parties (Note 41.5)	**283**	-
	44.598.902	2.210.186

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

38. Government grants

	2021	2020
	€	€
Government grants	**3.390.602**	-
	3.390.602	-
Deferred income after more than one year	**(3.368.721)**	-
Deferred income within one year	**21.881**	-

The amount of € 3.220.606 relates to other long-term liabilities from received government grants.

Pursuant to decision 59672/ΥΠΕ/5/03245/Ε/Law N.3299/2004, the Deputy Minister of Economy, Competitiveness and Shipping approved the inclusion of Porto Heli Hotel & Marina S.A. to the provisions of Law N.3299/2004, in regards to the latter's investment plan of a total amount of €10.628.000. According to the decision, the percentage of the subsidy amounts to 40% of the cost of the investment, equivalent to the amount of €4.251.200. The grant was received by the Company on 31 December 2013. The amortization of this amount began in the year 2014 with the opening of the Hotel. Until today the Company is still subject to the provisions of Law 3299/2004 for receiving a grant, as it has not violated the relevant obligations of the affiliation.

An amount of €169.996 relates to refundable goverment grant of Porto Heli Hotel & Marina S.A.

39. Refundable taxes/current tax (liabilities)

	2021	2020
	€	€
Corporate tax payable	**(54.891)**	(3.129)
Corporate tax refundable	**100.000**	-
Overseas tax	**(34.504)**	-
	10.605	(3.129)

40. Operating Environment of the Group

The Cypriot economy has been negatively affected by the spread of the new coronavirus (COVID-19). On March 11, 2020, the World Health Organization declared COVID-19 outbreak a global pandemic recognizing its rapid spread worldwide. In response to the pandemic, the Government of the Republic of Cyprus and other governments around the world have implemented and continue to implement numerous measures in an effort to limit and further delay the spread and effects of COVID-19, such as mandatory isolation from those who may have been affected by virus, implementation of measures of social distancing and mass quarantine, control or closure of borders and imposition of restrictions on business activity, including the closure of unnecessary businesses.

These measures have, inter alia, substantially reduced economic activity in Cyprus and globally and have negatively affected, and may continue to adversely affect companies, market participants as well as the Cypriot economy and other economies worldwide as long as they remain valid for an unknown period of time. Industries such as tourism, hospitality and entertainment have been directly affected by these measures.

The future effects of the COVID-19 pandemic and the above measures on the Cypriot economy, and therefore on the future financial performance, cash flows and position of the Group, are difficult to predict and as a result the expectations and calculations of the Group management may differ from the actual results. The Management of the Company takes all the necessary measures to maintain the viability of the Group and the development of its activities in the current financial environment.

Management will continue to monitor the situation closely and assess the need for funding, if deemed necessary, in case the disruption period is extended.

40. Operating Environment of the Group (continued)

Depending on the duration of the Coronavirus pandemic (COVID-19) and the continuing negative impact on financial activity, the Group may experience negative results and liquidity constraints and impairment of its assets in 2022. The exact impact on the Company's activities in 2022 and beyond can not be predicted and quantified, but is not considered significant. The Management takes all the necessary measures to maintain the viability of the Group and the development of its operations in the current uncertain business and financial environment and will continue to closely monitor the situation.

41. Related party transactions

At the date of signing of these financial statements the shareholders of the Company were: Papabull Investments Limited with 42.5%, Prodea Real Estate Investment Company S.A with 25%, Flowpulse Limited with 20% and Ascetico Limited with 12.5%.

The following transactions were carried out with related parties:

41.1 Directors' remuneration

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

	2021	2020
	€	€
Directors' remuneration	**522.719**	169.468
Remuneration of other senior executives	**-**	211.813
Termination benefits	**-**	4.346
Social insurances and other contributions	**-**	21.217
	522.719	406.844

41.2 Sales and other income

		2021	2020
	Nature of transactions	€	€
Prodea Real Estate Investment Company S.A.	Sponsorships	**10.000**	-
Sale of investment properties	Trade	**7.000.000**	-
Invel Real Estate Management Ltd	Trade	**1.389**	4.587
		7.011.389	4.587

41.3 Purchases and other expenses

		2021	2020
	Nature of transactions	€	€
Invel Real Estate Management Ltd	Consulting services	**3.595.597**	524.022
Singularlogic Cyprus Ltd	Trade	**-**	1.392
		3.595.597	525.414

41. Related party transactions (continued)

41.4 Receivables from related parties

Name	Nature of transactions	2021 €	2020 €
Aphrodite Springs Public Limited	Trade	**31.356**	-
For the Love and Life Foundation Ltd	Trade	**9.108**	-
Aphrodite Hills Pantopoleion Limited	Trade	**26.746**	-
Invel Real Estate Management Ltd	Trade	**-**	852
Prodea Real Estate Investment S.A.	Trade	**-**	90
Flowpulse Limited	Trade	**-**	10
Shareholders (Individuals)	Trade	**670.985**	-
		738.195	952

The receivables from related parties were provided interest free, and there was no specified repayment date.

41.5 Payables to related parties

Name	Nature of transactions	2021 €	2020 €
A.M. Resort Pharmacy Kouklia Ltd	Trade	**283**	-
		283	-

41.6 Debit balances of current accounts of shareholders / directors

	2021 €	2020 €
Prodea Real Estate Investment S.A.	**840**	-
Director	**2.039**	-
	2.879	-

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

41.7 Shareholders' current accounts - credit balances

	2021 €	2020 €
Prodea Real Estate Investment S.A.	**11.193.750**	-
Flowpulse Limited	**2.497.490**	-
Papabull Investment Limited	**11.250.000**	-
	24.941.240	-

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

42. Contingent liabilities and commitments

MHV MEDITERRANEAN HOSPITALITY VENTURE LIMITED

In the context of the loan agreements signed by Prodea Real Estate Investment Company ('Prodea') and Flowpulse Limited ('Flowpulse') with Bank of Cyprus Limited, respectively, for the acquisition of 97.93% of the shares of The Cyprus Tourism Development Company Limited, through capital inflows in MHV Mediterannean Hospitality Venture Limited (previously Vibrana Holdings Limited), The Cyprus Tourism Development Company Limited has given corporate guarantees on August 27, 2020 amounting up to €38.400.000 for the liabilities of Prodea and up to €4.800.000 for the liabilities of Flowpulse, under the aforementioned loan agreements. In addition, as a result of these agreements, the company (The Cyprus Tourism Development Company Limited) is charged with a floating charge for the benefit of the Bank of Cyprus in the total amount of €39.600.000.

42. Contingent liabilities and commitments (continued)

The Board of Directors does not expect any liabilities or any losses to occur out of these loans.

In addition, the rights deriving from the fire insurance and commercial risk, with the General Insurance of Cyprus Ltd. (contract no. 131100010521) have been assigned to Bank of Cyprus.

Furthermore, the Contractors all Risk Insurance with the General Insurance of Cyprus Ltd. (contract no.131100010521) has been assigned to Bank of Cyprus.

Eurobank Cyprus Limited and Parklane Hotels Limited have entered into a facility agreement dated July 8, 2021 for the distribution to Parklane Hotels Limited of up to €70.000.000. As a condition of the Agreement, MHV Mediterranean Hospitality Venture Limited grants to Eurobank Cyprus Limited a pledge and first rank security for the entire Pledged Property (all its shares and all its participations in the Company). MHV Mediterranean Hospitality Venture Limited guarantees and agrees with Eurobank Cyprus Limited that it will pay the Secured Liabilities on demand when they become due and agrees to indemnify the Security Agent for any losses, costs, charges, expenses and liabilities incurred from any breach or inability to pay.

MHV Mediterranean Hospitality Venture Limited is the registered and legal holder of € 69.960.584 common shares with a nominal value of €0.17 each, representing 100% of the total issued share capital of Aphrodite Hills Resort Limited. Without prejudice to the provisions of Aphrodite Hills Resort Limited facility agreement, MHV Mediterranean Hospitality Venture Limited binds and charges through a fixed interest of first priority: shares, stock certificates and / or any relevant document proving ownership of all shares, any dividends or interest or other distribution paid or payable in connection with any of the above and any rights, money or assets raised or offered at any time, in relation to any of the above through redemption, replacement, exchange, conversion, bonus, preference or other, on an optional basis or otherwise.

The Company's 100% subsidiary Porto Heli Marina S.A, issued bonds in an aggregate principal amount of €4.250.000 all of which have been purchased by Piraeus Bank SA. under terms of the Greek law governed bond loan programme dated 20 March 2020. As a security for the obligations of the Issuer under the Bond Loan the previous shareholder of the Issuer under the corporate name EIDIKOU SKOPOU DEKA EPTA S.A. (the "Initial Pledgor") granted a first ranking share pledge in favour of the Bank over all of its shares in the Issuer. Pursuant to share purchase agreement dated 8 April 2021 between the Initial Pledgor and the Company the former sold and transferred to the latter 1.405 common nominal shares of €33,00 each which constitute the total 100% issued shares of the Issuer and as a result the Company became the sole shareholder of the Issuer. The Company enters into the transactions contemplated by the Share Pledge Agreement and meets all of its obligations thereunder.

APHRODITE HILLS RESORT LIMITED

The Group has entered into agreements with contractors and subcontractors for the development of Alexander Heights Phase II, Aeneas, Dionysus Greens Phase I and Poseidon residential projects. As at 31 December 2021, the residual value of these contracts for which the Company has committed to make payments amounts to € 8.9 million (2020: € 2.26 million). These commitments are expected to be settled upon completion of the respective projects.

THE CYPRUS TOURISM DEVELOPMENT COMPANY LIMITED

On December 31, 2021 there was a lawsuit against the Company by a former employee for an approximate total amount of € 1.000.000. The Board of Directors is of the opinion that the possibility of a significant outflow of cash flows as a result of the above case is remote.

43. Events after the reporting period

On January 21, 2022, the subsidiary 'The Cyprus Tourism Development Company Limited' agreed and approved a franchise agreement with Marriott International Design & Construction Services, Inc. (" Mariott ") for the hotel.

43. Events after the reporting period (continued)

On 11 February 2022, the subsidiary, The Cyprus Tourism Development Company Limited ("CTDC") paid an amount of €22.500.000 to Prodea Real Estate Investment Company ('Prodea') and an amount of €2.500.000 to Flowpulse Limited ('Flowpulse') for the repayment of their loan facilities with Bank of Cyprus, on behalf of the Company. CTDC had given corporate guarantees amounting up to €43.200.000, a floating charge of €39.600.000 and pledged all the Company's shares in CTDC in favour of Bank of Cyprus, under these facilities (Note 42). The aforementioned corporate guarantees, the floating charge and the pledges were released on the same date. Additionally, and as part of this transaction, the receivable amount with CTDC relating to the dividend was settled.

On 11 February, 2022, the Company, by a special resolution, approved a capital reduction which cancels 1.754.386 shares held by the Company in its subsidiary, CTDC. As a result, the Company will receive an amount of €9.847.013,35. The CTDC is currently in the process of applying to the court for a relevant court decision before submitting it to the registrar of companies.

On 20 December 2021, the Board of Directors of the The Cyprus Tourism Development Company Limited approved a new facility agreement for the amount up to €82.000.000 with Alpha Bank S.A. On 11 February 2022, the Company received the first tranche of €30.500.000 from Alpha Bank. The bank loan bears interest of 2.95% and its capital repayments will commence after completion of the project.

With the decision of the General Meeting of 18/04/2022, MHV proceeded with an increase of the share capital of the subsidiary Porto Heli Hotel & Marina SA. amounting to € 5.055.448.75 with cash payment. After the above increase, the total share capital of the subsidiary amounts to the amount of Euro forty nine thousand five hundred (€49.500,00) divided into one thousand five hundred (1.500) common registered shares of nominal value of 33 thirty three euros (€33) each and the share premium amounts to twenty-two million three hundred eighty-five thousand two hundred ninety-nine euros and seventy-five cents (€22.385.299,75).

The subsidiary company MHV Bluekey One Single Member S.A. has entered into the notary pre-contracts No. 5308/2021, 5309/2021 and addendum 5310/2021 of the Athens notary Mrs. Eleni Spiliopoulou-Poulantza for the acquisition of certain land plots of approximate 110.221 square meters along with the affixed buildings, located in Naousa, Paros of Greece, where formerly the hotel unit Porto Paros used to operate. The total agreed consideration was paid to the Sellers upon signing of the above notary pre-contracts on 31/12/2021. The management of MHV Bluekey Single Member One S.A. estimate that signing of the final contracts will take place within 2022, subject to Sellers' tax clearance and completion of the necessary legalisation of parts of the transferred properties. It is noted that, based on the above notary pre-contracts, the purchaser MHV Bluekey One Single Member S.A. is entitled to proceed with signing of the final contracts unilaterally.

In February 2022, news of an increased concentration of Russian troops along the Russian-Ukrainian border raised concerns about possible Russian military intervention in Ukraine, and political tensions escalated. On 24 February, actual military action took place with the Russian invasion of Ukraine. Diplomatic talks between Ukraine and Russia are currently under way, but no agreement has been reached so far. The European Union has imposed a series of sanctions on Russia. Among other things, it banned the passage of Russian aircraft over the airspace of European countries.

43. Events after the reporting period (continued)

These developments could negatively affect the tourism of Cyprus as it depends significantly on the Russian market and therefore the Group itself as it operates in the tourism sector through its privately owned hotels in Cyprus and Greece.

The future effects of this situation on the Group's financial performance, cash flows and financial position are difficult to predict and management's current expectations and estimates may differ from actual results. The management of the Group takes all necessary measures to maintain the viability of the Group and the development of its operations in the current financial environment. The management is closely monitoring the situation and will act in accordance with the developments.

There were no material events after the reporting period, which have a bearing on the understanding of the consolidated financial statements.

Independent Auditor's Report on pages 4 to 6